

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM SB-2  
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ANCONA MINING CORPORATION  
(Name of small business issuer in its charter)

Nevada 1081 88-0436055  
-----  
(State or Other (Primary Standard (IRS Employer  
Jurisdiction of Industrial Identification #)  
Organization) Classification Code)

ANCONA MINING CORPORATION Conrad C. Lysiak, Esq.  
400 Burrard Street, Suite 1950 601 West First Avenue, Suite 503  
Vancouver, B.C., Canada V6C 3A6 Spokane, Washington 99201  
(604) 605-0885 (509) 624-1475  
-----

(Address and telephone of (Name, address and telephone  
registrant's executive office) number of agent for service)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As soon as practicable after the effective date of this Registration Statement.

If this Form is filed to register additional common stock for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. [ ]

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. [ ]

-----  
CALCULATION OF REGISTRATION FEE  
-----

<TABLE>  
<CAPTION>  
Securities Amount To Be Offering Price Offering Registration  
To Be Registered Registered Per Share Price Fee (1)  
<S> <C> <C> <C> <C>  
Common Stock: 2,000,000 Shares \$0.10 \$200,000 \$ 100.00  
</TABLE>

[1] Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(c).

REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO

THE TIME THE REGISTRATION STATEMENT BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE.

Prospectus

ANCONA MINING CORPORATION  
SHARES OF COMMON STOCK  
No Minimum - 2,000,000 Maximum

Prior to this offering, there has been no public market for the common stock.

We are offering up to a total of 2,000,000 shares of common stock on a best efforts, no minimum, 2,000,000 shares maximum. The offering price is \$0.10 per share. There is no minimum number of shares that we have to sell. There will be no escrow account. All money received from the offering will be immediately used by us and there will be no refunds. The offering will be for a period of 90 days from the effective date and may be extended for an additional 90 days if we so choose to do so.

Investing in the common stock involves certain risks. See "Risk Factors" starting at page 6.

- - - - -

<TABLE>  
<CAPTION>

	Price Per Share	Aggregate Offering Price	Proceeds to Us
<S>	<C>	<C>	<C>
Common Stock	\$0.10	\$200,000	\$150,000

</TABLE>

- - - - -

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is \_\_\_\_\_, 2000.

TABLE OF CONTENTS

	Page No.
SUMMARY OF PROSPECTUS . . . . .	5
RISK FACTORS . . . . .	6
RISKS ASSOCIATED WITH OUR COMPANY . . . . .	6
RISKS ASSOCIATED WITH THIS OFFERING . . . . .	8
USE OF PROCEEDS . . . . .	10
DETERMINATION OF OFFERING PRICE . . . . .	11
CAPITALIZATION . . . . .	11
DILUTION OF THE PRICE YOU PAY FOR YOUR SHARES . . . . .	12
PLAN OF DISTRIBUTION; TERMS OF THE OFFERING . . . . .	13
BUSINESS . . . . .	15
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS . . . . .	24
MANAGEMENT . . . . .	27
EXECUTIVE COMPENSATION . . . . .	29
PRINCIPAL SHAREHOLDERS . . . . .	30
DESCRIPTION OF SECURITIES . . . . .	31
CERTAIN TRANSACTIONS . . . . .	32
LITIGATION . . . . .	32
EXPERTS . . . . .	32
LEGAL MATTERS . . . . .	32
FINANCIAL STATEMENTS . . . . .	33

-----  
SUMMARY OF PROSPECTUS  
-----

This summary provides an overview of selected information contained in this prospectus. It does not contain all the information you should consider before making a decision to purchase the shares we are offering. You should very carefully and thoroughly read the more detailed information in this prospectus, and particularly the Risk Factors section, review our financial statements and review all other information that is incorporated by reference in this prospectus.

Summary Information about Our Company

We incorporated in the State of Nevada on September 7, 1999 and we have not generated any revenues from operations. See the "Business" section for a more detailed description of our business operations.

On September 8, 1999 we issued 5,000,000 shares of common stock to Hugh Grenfal and Sergei Stetsenko, our officers and directors pursuant to the exemption from registration contained in Section 4(2) of the Securities Act of 1933.

Our administrative office is located at 400 Burrard Street, Suite 1950, Vancouver, British Columbia, Canada V6C 3A6, telephone (604) 605-0885 and our registered statutory office is located at 5844 South Pecos

Road, Suite D, Las Vegas, Nevada 89120. Our fiscal year end is June 30.

#### The Offering

Following is a brief summary of this offering. Please see the "Plan of Distribution; Terms of the Offering" in this prospectus for a more detailed description of the terms of the offering.

Securities Being Offered . . .	Up to 2,000,000 shares of common stock, par value \$0.00001.
Offering Price per Share . . .	\$ 0.10
Offering Period . . . . .	The shares are being offered for a period not to exceed 90 days, unless extended by our board of directors for an additional 90 days.
Net Proceeds to Our Company . .	Approximately \$150,000. See "Use of Proceeds."
Use of Proceeds . . . . .	We will use the proceeds to pay for offering expenses, research and exploration. See "Use of Proceeds."
Number of Shares Outstanding Before the Offering . . . . .	5,000,000 See "Description of Securities."
Number of Shares Outstanding After the Offering . . . . .	7,000,000 See "Description of Securities."

-----  
RISK FACTORS  
-----

AN INVESTMENT IN THESE SECURITIES INVOLVES AN EXCEPTIONALLY HIGH DEGREE OF RISK AND IS EXTREMELY SPECULATIVE. IN ADDITION TO THE OTHER INFORMATION REGARDING OUR COMPANY CONTAINED IN THIS PROSPECTUS, YOU SHOULD CONSIDER MANY IMPORTANT FACTORS IN DETERMINING WHETHER TO PURCHASE THE SHARES BEING OFFERED. THE FOLLOWING RISK FACTORS ARE SOME OF THE POTENTIAL AND SUBSTANTIAL RISKS WHICH COULD BE INVOLVED IF YOU DECIDE TO PURCHASE SHARES IN THIS OFFERING.

#### RISKS ASSOCIATED WITH OUR COMPANY:

1. We Have No Operating History; We Have a History of Losses; and, We Expect Our Losses to Continue.

We were incorporated in September 1999 and we have not started our proposed business operations or realized any revenues. We have no operating history upon which an evaluation of our future success or failure can be made. Our ability to achieve and maintain profitability and positive cash flow is dependent upon

- \* our ability to locate a profitable mineral property
- \* our ability to generate revenues
- \* our ability to reduce exploration and development costs.

Based upon current plans, we expect to incur operating losses in future periods. This will happen because there are expenses associated with the research, exploration and development of our mineral properties. We cannot guarantee that we will be successful in generating revenues in the future. Failure to generate revenues will cause us to go out of business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

2. Speculative Nature of the Mineral Exploration Industry; Exploration Stage; and No Known Ore Reserves.

Gold, silver and strategic metals exploration is highly speculative. We are in the very early exploration stage and are dependent on the proceeds from this offering to start our exploration program. We cannot guarantee that

- \* our exploration will be successful,
- \* any production will be obtained
- \* or that production, if obtained, will be profitable.

### 3. Price of Gold is Low.

The price of gold is currently low. When general economic conditions are good, the price of gold tends to be down. Currently, the mining industry is depressed and mineral values have been very low over the last several years, making it difficult to conduct operations profitably. See "Business."

### 4. Because We are Small and Do Not Have Much Capital, We Must Limit Our Exploration and Development.

There is competition in the mineral exploration and development industry. Because we are small and do not have much capital, we must limit our exploration and development. There are other larger mining companies that could and probably would spend more time and money in exploring and developing our property. As a result of our limited capital, we may not be able to hire qualified employees.

### 5. Supply Factors.

Competition and unforeseen limited sources of supplies in the industry could result in occasional shortages of supplies of certain products, equipment or materials we may use in our operations. We cannot guarantee we will be able to obtain certain products, equipment and/or materials which we require, without interruption. See "Business."

### 6. Factors Affecting Our Operations.

Our success depends on a number of factors, many of which are beyond our control. These factors are:

- \* the rates of and costs associated with the exploration and development of our properties
- \* capital expenditures and other costs relating to the expansion of our business operations
- \* fluctuations in the price of minerals
- \* changes in operating expenses
- \* changes in our exploration and development strategy
- \* personnel changes
- \* the introduction of alternative mining technologies
- \* the effect of other potential property acquisitions
- \* increased competition in our current and prospective markets.

Our success will also depend on our ability to identify, produce and market minerals located on our properties. If minerals are not located, we will cease operations. If minerals are located, but we can't market them, we will cease operations. Due to these factors, our operating results and/or growth rate may be below the expectations of our management and investors, which could adversely affect the value of any shares you purchase in this offering. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business."

### 7. Year 2000 Compliance.

We are year 2000 compliant. We do not know if people we will be doing business with in the future are year 2000 compliant. If someone we do business with is not year 2000 compliant, the services or products he furnishes to us could be interrupted. If the services or products are interrupted, we may have to suspend operations while he corrects his year 2000 compliance.

### RISKS ASSOCIATED WITH THIS OFFERING:

#### 8. The Risks of Buying Low-Priced Stocks.

Our common stock is defined as a "penny stock" under the Securities and Exchange Act of 1934, and its rules. The Exchange Act and the penny stock rules impose additional sales practice and disclosure requirements on broker-dealers who sell our securities to persons other than certain accredited investors. Accredited investors are

- \* institutions with assets in excess of \$5,000,000
- \* individuals with net worth in excess of \$1,000,000
- \* individuals with income exceeding \$200,000, or \$300,000 jointly with a spouse).

For transactions covered by the penny stock rules, a broker-dealer must make a suitability determination for each purchaser and receive the purchaser's written agreement prior to the sale. In addition, the

broker-dealer must make certain disclosures in penny stock transactions, including

- \* the actual sale or purchase price
- \* the actual bid and offer quotations
- \* the compensation to be received by the broker-dealer and certain associated persons, and
- \* deliver certain disclosures required by the Securities and Exchange Commission.

Because of the foregoing additional obligations imposed upon brokers, some brokers will not buy or sell our common stock. This means that you will not be able to sell your shares as easily as shares in larger corporations.

#### 9. Control of Our Company After the Offering.

If all the shares we are offering in this prospectus are sold, which we can't guarantee, you, will own approximately 28.57% of our outstanding common stock. Our existing stockholders will own approximately 71.43% of the outstanding shares. As a result, after completion of this offering, regardless of the number of shares we sell, our existing stockholders will be able to elect all of our directors and control our operations. Our Articles of Incorporation do not provide for cumulative voting. Cumulative voting is a process that allows a shareholder to multiply the number of shares he owns times the

number of directors to be elected. That number is the total votes a person can cast for all of the directors. Those votes can be allocated in any manner to the directors being elected. Cumulative voting, in some cases, will allow a minority group to elect at least one director to the board. Our existing stockholders do not intend to purchase any shares in this offering. This means that existing shareholders will not be expanding their ownership. See "Principal Stockholders" and "Description of Securities."

#### 10. Further Dilution of Your Investment

Further dilution is likely if we issue additional shares at a lower price than the current offering price and either no trading market exists for our stock or the trading is at a price substantially lower than this offering price. See "Dilution of the Price You Pay for Your Shares."

#### 11. Benefits to the Company's Present Shareholders."

This offering will result in certain benefits to Hugh Grenfal Jr. and Sergei Stetsenko who are our only officers and directors. Messrs. Grenfal and Stetsenko own all the outstanding shares of our company. They have supplied only a mining claim valued at \$2,644 and cash of \$133. You, on the other hand, will be providing all of the cash for our company's operations. See "Principal Stockholders."

#### 12. No Public Trading Market for the Shares.

There is currently no trading in our common stock. We cannot guarantee you that an active trading market in our shares will develop in the near future, even if this offering is successfully completed. Even if a trading market is developed, we cannot guarantee that it will be sustained for any period of time. "See "Plan of Distribution; Terms of the Offering."

#### 13. There is No Minimum Number of Shares that Must Be Sold and There is No Escrow Account.

There is no minimum number of shares that must be sold in this offering. Any money we receive will be immediately appropriated by the Company for the uses set forth in the Use of Proceeds section of this prospectus. No funds will be placed in an escrow account during the offering period and no money will be returned once the subscription has been accepted by us.

#### 14. You Will Incur Immediate and Substantial Dilution.

Our existing stockholders acquired their shares at a cost substantially less than that which you will pay for the shares you purchase in this offering. Accordingly, any investment you make in these shares will result in the immediate and substantial dilution of the net tangible book value of those shares. See "Dilution of the Price you Pay for Your Shares."

#### 15. We Do Not Pay Cash Dividends on Our Common Stock.

We have not paid any cash dividends on our common stock to date and we will not be paying cash dividends to stockholders in the foreseeable future. Any income we receive from operations will be reinvested and devoted to our future business operations and/or to expansion. See "Description of Securities."

#### 16. Impact of Potential Future Sales of our Common Stock.

A total of 5,000,000 shares of stock were issued to our two officers and directors. They paid an average price of \$0.055. They will likely sell a portion of their stock if the market price goes above \$0.10. If they do sell their stock into the market, the sales may cause the market price of the stock to drop. See "Principal Stockholders."

#### CAUTIONARY STATEMENT REGARDING FORWARDING-LOOKING STATEMENTS

Some discussions in this prospectus may contain forward-looking statements that involve risks and uncertainties. A number of important factors could cause our actual results to differ materially from those expressed in any forward-looking statements made by us in this prospectus. Such factors include, those discussed in "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," as well as those discussed elsewhere in this prospectus. Forward-looking statements are often identified by words like: believe, expect, estimate, anticipate, intend, project and similar expressions, or words which, by their nature, refer to future events.

---

#### USE OF PROCEEDS

---

The net proceeds from this offering will be \$150,000, assuming all shares are sold, which we can't guarantee, after deducting \$50,000, for estimated offering expenses, including legal and accounting fees. We will use the proceeds for exploration and working capital. We expect to spend between \$40,000 and \$140,000 to complete our exploration activities. Our exploration expenditures could vary from \$40,000 to \$140,000 depending upon what we encounter in the exploration process. If it turns out that we have not raised enough money to complete our exploration and development program, we will try to raise additional funds from a second public offering, a private placement or loans. At the present time, we have not made any plans to raise additional money and there is no assurance that we would be able to raise additional money in the future. If we need additional money and can't raise it, we will have to suspend or cease operations.

While we currently intend to use the proceeds of this offering substantially in the manner set forth above, we reserve the right to reassess and reassign such use if, in the judgement of our board of directors, such changes are necessary or advisable. At present, no material changes are contemplated. Should there be any material changes in the above projected use of proceeds in connection with this offering, we will issue an amended prospectus reflecting the same.

---

#### DETERMINATION OF OFFERING PRICE

---

The price of the shares we are offering was arbitrarily determined in order for us to raise up to a total of \$200,000 in this offering. The offering price bears no relationship whatsoever to our assets, earnings, book value or other criteria of value. Among the factors considered were:

- \* our lack operating history
- \* the proceeds to be raised by the offering
- \* the amount of capital to be contributed by purchasers in this offering in proportion to the amount of stock to be retained by our existing Stockholders, and
- \* our relative cash requirements.

See "Plan of Distribution; Terms of the Offering."

---

#### CAPITALIZATION

---

The following table sets forth our capitalization at September 10, 1999, on a historical basis and as adjusted to reflect the sale of the shares.

This table should be read in conjunction with the section entitled, "Management's Discussion and Analysis of Financial Condition and Results of Operations" our Financial Statements and Notes; and other financial and operating data included elsewhere in this prospectus.

<TABLE>  
<CAPTION>

	September 10, 1999 Actual -----	As Adjusted After Offering -----
<S>	<C>	<C>
Stockholder's Equity:		
Common Stock: 100,000,000 shares authorized, par value \$0.00001		
5,000,000 issued and outstanding	\$ 50	
7,000,000 issued and outstanding		\$ 70
Additional Paid-in Capital	\$ 274,950	\$ 424,930
Deficit accumulated during the development stage	\$ (272,223)	\$ (272,223)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY (deficit)	\$ 2,777	\$ 152,777
	=====	=====

</TABLE>

-----  
DILUTION OF THE PRICE YOU PAY FOR YOUR SHARES  
-----

"Dilution" represents the difference between the offering price and the net tangible book value per share immediately after completion of this offering. "Net tangible book value" is the amount that results from subtracting total liabilities and intangible assets from total assets. Dilution arises mainly as a result of our arbitrary determination of the offering price of the shares being offered. Dilution of the value of the shares you purchase is also a result of the lower book value of the shares held by our existing stockholders. See "Principal Stockholders."

As of September 10, 1999, the net tangible book value of our shares of common stock was a deficit of \$2,777 or approximately \$0.001 per share based upon 5,000,000 shares outstanding.

Upon completion of this offering the net tangible book value of the 7,000,000 shares to be outstanding, assuming all shares are sold, will be \$152,777, or approximately \$0.02. The net tangible book value of the shares held by our existing stockholders will be increased by \$0.019 per share without any additional investment on their part. You will incur an immediate dilution from \$0.10 per share to \$0.02 per Share.

After completion of this offering, you will own approximately 28.57% of the total number of shares then outstanding shares for which you will have made a cash investment of \$200,000, or \$0.10 per share. Our existing stockholders will own approximately 71.43% of the total number of shares then outstanding, for which they have made contributions of cash and/or services and/or other assets, totaling \$275,000, or approximately \$0.055 per share.

The following table compares the differences of your investment in our shares with the investment of our existing stockholders.

<TABLE>  
<CAPTION>

EXISTING STOCKHOLDERS		<C>
<S>		
Price per Share		\$ 0.055
Net tangible book value per Share before Offering		\$ 2,777
Net tangible book value per Share After Offering		\$ 152,777
Increase to present Stockholders in net tangible book value per Share after Offering		\$ 0.019
Capital contributions		\$ 275,000
Number of Shares Outstanding before the Offering		5,000,000
Number of Shares after Offering held by Existing Stockholders		5,000,000
Percentage of ownership after Offering		71.43%

</TABLE>

<TABLE>



<CAPTION>	
PURCHASERS OF SHARES IN THIS OFFERING	
<S>	<C>
Price per Share . . . . .	\$ 0.10
Dilution per Share . . . . .	\$ 0.08
Capital contributions . . . . .	\$ 200,000
Number of Shares after Offering	
held by Public Investors . . . . .	2,000,000
Percentage of ownership after Offering . . . . .	28.57%

</TABLE>

-----  
PLAN OF DISTRIBUTION; TERMS OF THE OFFERING  
-----

Offering Will Be Sold By One of Our Officers

We are offering up to a total of 2,000,000 shares of common stock on a best efforts, no minimum, 2,000,000 shares maximum. The offering price is \$0.10 per share. There is no minimum number of shares that we have to sell. There will be no escrow account. All money received from the offering will be immediately used by us and there will be no refunds. The offering will be for a period of 90 days from the effective date and may be extended for an additional 90 days if we so choose to do so.

There is no minimum number of shares that must be sold in this offering. Any money we receive will be immediately appropriated by the Company for the uses set forth in the Use of Proceeds section of this prospectus. No funds will be placed in an escrow account during the offering period and no money will be returned once the subscription has been accepted by us.

We will sell the shares in this offering through Hugh Grenfal, Jr., one of our officers and directors. Mr. Grenfal will receive no commission from the sale of any shares. Mr. Grenfal will not register as a broker-dealer pursuant to Section 15 of the Securities Exchange Act of 1934 in reliance upon Rule 3a4-1. Rule 3a4-1 sets forth those conditions under which a person associated with an Issuer may participate in the offering of the Issuer's securities and not be deemed to be a broker-dealer. The conditions are that:

1. None of such persons are subject to a statutory disqualification, as that term is defined in Section 3(a)(39) of the Act, at the time of his participation; and,
2. None of such persons are compensated in connection with his or her participation by the payment of commissions or other remuneration based either directly or indirectly on transactions in securities; and
3. None of such persons are, at the time of his participation, an associated person of a broker-dealer; and
4. All of such persons meet the conditions of Paragraph (a)(4)(ii) of Rule 3a4-1 of the Exchange Act, in that they (A) primarily perform, or are intended primarily to perform at the end of the offering, substantial duties for or on behalf of the Issuer otherwise than in connection with transactions in securities; and (B) are not a broker or dealer, or an associated person of a broker or dealer, within the preceding twelve (12) months; and (C) do not participate in selling and offering of securities for any Issuer more than once every twelve (12) months other than in reliance on Paragraphs (a)(4)(i) or (a)(4)(iii).

We intend to advertise and hold investment meetings in various states where the offering will be registered. We will also distribute the prospectus to potential investors at the meetings and to our friends and relatives who are interested in us and a possible investment in the offering.

Offering Period and Expiration Date

This offering will commence on the date of this prospectus and continue for a period of 90 days. We may extend the offering period for an additional 90 days, or unless the offering is completed or otherwise terminated by us.

Procedures for Subscribing

If you decide to subscribe for any shares in this offering, you must

1. execute and deliver a subscription agreement
2. deliver a check or certified funds to us for acceptance or rejection.

All checks for subscriptions must be made payable to "ANCONA MINING CORPORATION."

#### Right to Reject Subscriptions

We have the right to accept or reject subscriptions in whole or in part, for any reason or for no reason. All monies from rejected subscriptions will be returned immediately by us to the subscriber, without interest or deductions. Subscriptions for securities will be accepted or rejected within 48 hours after we receive them.

-----  
BUSINESS  
-----

#### General

We were incorporated in the State of Nevada on September 7, 1999. We are engaged in the acquisition, exploration and development of mining properties. We maintain our statutory registered agent's office at 5844 South Pecos Road, Suite D, Las Vegas, Nevada 89120 and our business office is located at 400 Burrard Street, Suite 1950, Vancouver, British Columbia, Canada V6C 3A6. Our telephone number is (604) 605-0885. See "Business - Office Facilities."

#### Background

In September 1999, Hugh Grenfal our President and a member of the board of directors, acquired one mineral property containing three mining claims in British Columbia, Canada by arranging the staking of the same through a third party. The claims are recorded in Mr. Grenfal's name for tax purposes, however, title to the claims has been conveyed to us by an unrecorded deed. To date we have not performed any work on our property.

#### Location and Access

The property is located 290 kilometers east of Vancouver, near Beaverdell on the West Kettle River. The claims are located within the West Kettle River valley, south from the village of Beaverdell, in south central British Columbia, Canada. Highway 33 runs through the center of the property and several secondary roads and trails provide access to most parts of the property

#### Physiography

The property is situated within the Monashee Mountains of the Southern Interior Physiographic Region, and elevations range from 2,500 feet (760m) along the West Kettle River to 5100 feet (1,550m) at the extreme western edge of the Amax claim.

Slopes within the claim area are generally steep except for the bottom of the West Kettle River valley and the height of land within the Amax claim. Vegetation consists mainly of fir; larch and pine, much of it mature second growth. Some of the area has been recently logged or burned over. There is relatively little underbrush, and open grassy areas are not uncommon. Outcrops are fairly sparse except locally on the east flanks of ridges, where small bluffs with talus aprons occur.

The climate features warm summers and mild winters. The West Kettle Valley is fairly dry in the summers, although not as dry as the Okanagan valley to the west. Average yearly precipitation is 20 inches (50cm). A snow pack of 3-5 feet (1-1.5m) begins to accumulate in November and lingers in places into May. The moderate climate in the project area allows for year round exploration.

#### Regional Geology

The area is within the Omineca Crystalline Belt; a NW trending belt dominated by plutonic and high grade metamorphic rocks. Rock units present in the immediate area of the project include:

Jurassic age Nelson Plutonics comprised primarily of quartz diorite, monzonite and granodiorite but also include greenstones, amphibolites, mafic schists, meta-wackes and lesser limestone of the Carboniferous and older Anarchist Group. This sedimentary and volcanic package occurs as isolated rafts or roof pendants surrounded by the younger intrusive.

The Valhalla Intrusions (granite and granodiorite) of Jurassic-Cretaceous age are distinguished from the Nelson Plutonics by their porphyritic nature and general lack of foliation.

The Coryell Group are Eocene porphyritic felsic intrusions that occur as plugs and dykes in the area. These trachytes, andesites and lesser tuff and shale interbeds outcrop in erosional remnants on the property and in fault bounded outliers throughout the Okanagan region.

Fine-grained mafic dykes are the youngest intrusive rocks in the area, and are related to regionally significant Miocene plateau basalts. Numerous dykes swarm through the Amax-Marmot property.

#### PROPERTY GEOLOGY

##### Rocks Units:

There are five separate rock units have been observed on the property.

One of the major rock types present on the property is an irregular mass of quartz monzonite porphyry. It exists as dyke swarms, small stocks and larger blocks, and is everywhere cutting the granodiorite.

Granodiorite occupies the northern and central portions of the property, as well as a small section of the east side, across the West Kettle River. It is generally medium grained, granitic in texture, and varies in composition from a quartz diorite to quartz monzonite.

Hornblende-Feldspar form of a dyke extending across the map-sheet from the southwest corner to the east side. The portion of the dyke on the west side of the West Kettle River has an average width of 80 feet (25m) and a dip of 60° to the northwest. On the east side of the river, the width is considerably more, and could be as much as 300 feet (92m). Every where this dyke is barren of economic mineralization and of significant alteration, and thus is considered post-mineral in origin. Many small dykes of similar composition and similar attitude have been observed on the property, but they are all less than 5 feet (1.5m) in width and have not been plotted on the geological map.

Volcanics have been observed along the road leading up to Amax Moly zone. The rocks are mainly andesitic greenstones with felsic banding showing contortions and extreme hydrothermal alteration. They are probably related to the Anarchist group of Little (1961) and are believed to be the oldest rocks in the area. There seems to be considerable pyrite and pyrrhotite in bands and veins in this unit, and an old adit was discovered in these volcanics with some massive sulphides lying around the dump at the portal.

A distinctive body of medium to coarse-grained granite lies in the southern portions of the map area. It is composed of quartz and potassium feldspar. Minor mounts of biotite, magnetite and plagioclase are apparent. No sulphides were seen anywhere in this unit. Outcrops of granite were observed as far as 4,000 feet (1,200m) south of its northern contact, but the actual southern limit is not known at this time. This rock is believed to be part of the main mass of the Valhalla intrusives, which, according to Little (1961) should extend for about 15 miles (24m) southward.

##### Alteration:

Three distinct alteration environments have been outlined in the project area. The most significant one is a hydrothermal alteration in the southern limits of the granodiorite. This zone contains all the base metal mineralization observed from surface exposures and it is discussed in the description of the granodiorite. The cause of this alteration should be due to the emplacement of the porphyritic granite in the south. Except for an area of similar alteration north of the Amax property in the northwest corner of the map-area, the main bulk of the altered zone is always within 2,000 feet (600m) of the granite contact.

A minor alteration zone exists adjacent to the granite contact, with a width of up to 200 feet (60m). This zone is featured by sericite-clay and chlorite replacement resulting in a blurred texture of the original matrix. Where the quartz monzonite porphyry is affected by these alteration remnant phenocrysts are still apparent. The granodiorite is almost unrecognizable in this zone, and a good deal of the interpretation near this contact zone is based on identifying the relative unaltered rocks nearby.

The third alteration environment mapped is located within the Amax property on the west side of the map-area. It is entirely within the quartz monzonite porphyry and consists of silicification and K-feldspar flooding, chloritization of mafics and more pyrite mineralization with traces of molybdenite. The resulting texture is quite "blurred", with no evidence of shearing. As this type of alteration is quite distinct from the variety hosting the lead-zinc mineralization in the granodiorite, it is thought that the molybdenum mineralization located on the Amax zone is of a different stage and/or origin than the Marmot lead-zinc zone.

#### Structure:

The most obvious feature of the local geology is the northeast trend of the porphyry dyke swarm and of the hornblende-feldspar dyke. This attitude is also reflected in the position of the Amax Molybdenum Zone within the Amax claim. The reason for this trend has not been determined and it probably is due to some regional feature of the West Kettle Batholith.

The most prominent fracture direction has been recorded at 040° slightly more northerly than the trend discussed above. The dip of this set is very steep, with angles measured on either side of vertical. The fracture sets are generally at 10° with a variable north dip and 350° with 50° to 60° dip to the west. No particular fracture set has been associated with the mineralization.

The north contact of the porphyritic granite has a general east-northeast trend, and roughly parallels the porphyry dyke swarm to the north. A zone of intense alteration extending to 200 feet (60m) in the intruded rock can be traced along the granite contact on both sides of the valley. The ore widespread alteration of the granodiorite is always within 2,000 feet (600m) of this contact, and must have some relationship genetically. It is within this framework that all the silver-lead-zinc-copper mineralization observed in the surface outcrops and trenches lies.

#### MINERALIZATION

Three main targets with economic potential have been identified to date; these are the "AMAX", "MARMOT" and "MAY" zones. They are summarized as follows:

##### Marmot Zone

The economic potential of the Marmot Zone appears to lie in the base metal mineralization found in the altered granodiorite. Sphalerite, galena, chalcopyrite and associated oxides and carbonates have been detected in the mineralized area, as well as trace amounts of molybdenite, greenockite and fluorite. Several non-commercial minerals are also found in the area of interest, such as pyrite, specular hematite, calcite and quartz.

The base metal sulphides are found as fracture filling, in carbonate veinlets, and as true disseminated minerals in the matrix of the host rock. They are always associated with the altered granodiorite but occasionally the quartz monzonite porphyry contains minor sulphides near the granodiorite contacts. The ratio of minerals at various places within the zone appears constant; that is, no zoning affect has been detected to date. The actual content of minerals in the host rock is not exactly known, as surface weathering and oxidation has leached much of the metal out of surface exposures, and only in

trenches that penetrate down to 5 feet (1.5m) or so does the content become apparent. Assay values of from 1% to 2% Zn, 0.5% to 1.0% Pb, 0.1% Cu and 0.1 oz/t (3.2g/t) Ag have been obtained from several of the trenches, while many samples from the near surface materials have returned only minor values in all the elements.

Soil geochemical sampling in the 1971 indicated that the Zinc, Lead and Copper mineralization is confined to a more or less continuous zone of altered granodiorite extending for about 8,000 feet (3,100m) in an east-west direction, and up to 1,000 feet (300m) wide. As a result of geological mapping, trenching and geochemical sampling it was determined that all the mineralization is in the form of bulk dispersions or "porphyry" style deposits.

During the period of 1971- 1973 over 60 backhoe trenches were dug within the Marmot Zone. Where the bedrock is fractured and broken, some trenches could be dug as deep as 12 feet (3.6m). However, most trenches are less than 5 feet deep (1.5m). Virtually all of the deeper trenches caved in before they could be sampled.

The Mo (Amax) property is located at approximately 4,700 feet (1,432m) elevation on the west side of West Kettle River, between Tuzo and Big Goat creeks, 4.5 miles (7.5km) south-southwest of Beaverdell. The area of principal interest lies on the former Mo 6, 8, 17, 18, 19 and 20 claims.

The occurrence was first staked on the Matt 1 to 75 claims, held by Kennco Explorations (Western) Ltd. in 1961 and 1962. An exploration program consisting of geochemical and induced potential geophysical surveys, geological mapping and trenching failed to identify any significant mineralization and the property was dropped. In 1964, Amax Exploration Inc. acquired the Mo 1 to 36 claims covering the Mo occurrence. A geochemical survey and 187 feet (57.3m) of diamond drilling in three holes were completed in that year. Mineralized areas of potential interest were extensively drilled in 1966 but the program results were not reported. In 1981, E & B Explorations Ltd. carried out 2,480 feet (756m) of diamond drilling in 1 hole. In 1982, Canamax Resources Inc. held a 100 per cent interest in the property.

Hostrocks of the Mo occurrence are intrusions including hornblende granodiorite of the Middle Jurassic Nelson intrusions, which encloses a porphyritic biotite quartz monzonite stock of the Cretaceous to Tertiary Okanagan batholith. The stock is roughly circular and 1.5 miles (2.4km) diameter and hosts most of the molybdenite mineralization. The quartz monzonite is medium grained, porphyritic with prominent quartz phenocrysts and a pink colour due to secondary k-feldspar. A fine-grained border phase called white (quartz) porphyry is seen in drill core. These granitic intrusions have been intruded by a younger Eocene quartz, albite, sanidine porphyry, known as the Tuzo Creek porphyry stock. Large pink sanidine phenocrysts (up to a 3 inches (7.6cm)), variable colored albite, clear to smoky quartz and chlorite altered biotite occur in a pale greenish-grey groundmass.

The porphyry shows a strong similarity to the Eocene other Coryell intrusions such as the Shingle Creek porphyry and the recently described Beaverdell porphyry. A potassium-argon age date yielded an age of 49.5 +/- 2 Ma from biotite (Leary, 1967). This pre-mineralization porphyry is thought to be a gently east dipping, inverted saucer-shaped intrusive mass up to 350 feet (107m) thick that was conformably and forcefully intruded between granodiorite and the top eastern flanks of the quartz monzonite stock. It is referred to as a roof-sill. Intra and post-mineralization porphyries are of similar composition. Pre and post-mineralization porphyry dykes crosscut all these intrusive phases. Younger dikes include alkaline quartz gabbro, composite alkaline basalt to augite trachyte and altered latite compositions.

Three phases of shear and breccia zones have been delineated based on crosscutting relationships. These zones are typically up to 10 feet (3m) wide, strike 235 degrees and dip 55 degrees to 90 degrees northwest. They are characterized by variable intergranular shearing of angular to rounded fragments with variable degrees of hydrothermal alteration. Phase one structures controlled period one hydrothermal alteration and associated molybdenite mineralization, which occurred intermittent to porphyry emplacement.

Two periods of hydrothermal alteration were controlled by fractures, and shear and breccia zones. The first period has resulted in widespread wallrock alteration, quartz veining and mineralization throughout most of the quartz monzonite stock but also affected the hornblende granodiorite and porphyry roof-sill. The alteration halo is ellipsoid-shaped in a northeast-southwest orientation and is up to 9,400 feet (2,865m) long by 6,900 feet (2,103m) wide. Pervasive argillic, potassic, albitic, propylitic and silicic alteration with sulphide and/or oxide mineralization occur on a large scale throughout the alteration halo. A zone of low-grade molybdenite mineralization occurs in an inner zone of more intense wallrock alteration, containing quartz stockworks with pyrite. This halo has been divided into peripheral (weak to moderate alteration) and central (intense

alteration) shells (zones). The Central zone is an elongate, ellipsoidal shape and is vertical or steeply southeast dipping. The zone is up to 5,400 feet (1,646m) long by 1,700 feet (518m) wide, widening at depth to 2,300 feet (701m). It has a maximum vertical depth of 1,050 feet (320m). The upper part has been divided into a quartz-hydromical subzone while the lower part a quartz-potassium feldspar zone. The upper subzone is up to 400 feet (122m) thick and characterized by widespread quartz veining while the lower subzone contains only local quartz veining. The two zones locally overlap as much as 150 feet (46m). The peripheral shell consists mainly of argillic alteration of feldspars and mafics, increasing in intensity towards the Central shell. Minor propylitic alteration of mafics consists of chlorite and epidote. Minor fluorite, calcite, hematite, magnetite and pyrite are also associated. The second phase of hydrothermal activity occurred more locally and involved the

development of sericite and quartz with associated sphalerite, galena, chalcocopyrite, pyrite and molybdenite, and calcite and fluorite along fractures and in adjacent wallrock. It is largely confined to intra-mineralization dikes and sills at depth.

Molybdenite occurs as coatings along planar fractures and around rock fragments in breccias and shear zones, seams and disseminations in banded discontinuous quartz veins and dissemination's in discontinuous to continuous massive quartz veins and adjacent wallrocks. A foliated shear zone, largely in the porphyry roof-sill below quartz monzonite, directed hydrothermal and mineralizing fluids upwards, predominantly along fractures.

Grades range from 0.06 to 0.28 per cent molybdenum in zones 10 to 52 feet (3-16m) wide and with grades locally reaching 0.47 per cent molybdenum. The grade is variable due to an increase in the molybdenite content and not an increase in fracture intensity. The following table summarizes average molybdenum grades from drillholes in the molybdenum zone.

DDH	% Mo	Length to Base of Molybdenite Zone
1	0.08	750 feet (227m)*
2	0.02	551 feet (168m)*
3	0.03	528 feet (161m)**
4	0.04	1,025 feet (313m) **

\* to base of the sulphide field

\*\* to base of the quartz-k-feldspar subzone

May

The following summary of the May adit occurring within the northern end of the Marmot claim is paraphrased from the British Columbia Ministry of Mines MINFILE number 082ESW101.

The May is located at about 3,000 feet (915m) elevation on the west side of the West Kettle River, 4.5 miles (7.5km) south-southwest of Beaverdell. In 1970, an exploration program was carried out by Canex Aerial Exploration Ltd. A 10 tons (9t) shipment of ore is recorded for that year. Since 1972, the property covering the occurrence has been owned and explored by Argentia Mines Ltd. In 1973, Rio Tinto Exploration Ltd. acquired an option on the property and Argentia Mines Ltd. made a shipment of 59 tons (54t) of crude ore (two truck loads) to the Trail smelter. In 1984, the occurrence was part of a large claim group held by Canstat Petroleum Co. The occurrence was located on the May claim and three diamond-drill holes were drilled.

The 69 tons (63t) ore shipped in 1970 and 1973 yielded 216 oz (6,127g) of silver, 53 oz (1,497g) of gold, 258 pounds (117kg) of lead and 139 pounds (63kg) of zinc. The average grade for this shipment was 3.13 oz/T (97.4g/t) Ag and 0.768 oz/T (23.9g/t) Au.

MAP SUPPLIED SUPPLEMENTALLY.

Our Proposed Exploration Program

We must conduct exploration and development to determine what amount of minerals, if any, exist on our properties and if any minerals which are found can be economically extracted and profitably processed.

Our exploration program is designed to economically explore and evaluate our properties.

We do not claim to have any ores or reserves whatsoever at this time on any of our properties.

We intend to implement an exploration program and intend to proceed in the following three phases:

Phase 1 will begin with research of the available geologic literature, personal interviews with geologists, mining engineers and others familiar with the prospect sites. We have recently begun this phase of the exploration process on our properties.

When the research is completed, our initial work will be augmented with geologic mapping, geophysical testing and geochemical testing of our claims. When available, existing workings, such as trenches, prospect pits, shafts or tunnels will be examined. If an apparent mineralized zone is identified and narrowed down to a specific area by the studies, we will to begin trenching the area. Trenches are generally approximately 150 ft. in length and 10-20 ft. wide. These dimensions allow for a thorough examination of the surface of the vein structure types generally encountered in the area. They also allow for efficient reclamation, re-contouring and re-seeding of disturbed areas. Once excavation of a trench is completed, samples are taken and then analyzed for economically potential minerals that are known to have occurred in the area. Careful interpretation of this available data collected from the various tests aid in determining whether or not the prospect has current economic potential and whether further exploration is warranted.

Phase 1 will take about 3 months and cost about \$20,000.

Phase 2 involves an initial examination of the underground characteristics of the vein structure that was identified by Phase 1 of exploration. Phase 2 is aimed at identifying any mineral deposits of potential economic importance. The methods employed are

- \* more extensive trenching
- \* more advanced geophysical work
- \* drift driving

Drift driving is the process of constructing a tunnel to take samples of ore for testing. Later, the tunnel can be used for mining ore. The geophysical work gives a general understanding of the location and extent of mineralization at depths that are unreachable by surface excavations and provides a target for more extensive trenching and core drilling. Trenching identifies the continuity and extent of mineralization, if any, below the surface. After a thorough analysis of the data collected in Phase 2, we will decide if the property warrants a Phase 3 study.

Phase 2 will take about 3 months and cost about \$20,000.

Phase 3 is aimed at precisely defining the depth, the width, the length, the tonnage and the value per ton of any ore body. This is accomplished through extensive drift driving. An ore body is not a proven ore body until it has been technically, economically and legally proven.

Phase 3 will take about 6 months and cost about \$80,000.

We do not intend to interest other companies in the property if we find mineralized materials. We intend to try to develop the reserves ourselves.

#### Regulations

Our mineral exploration program is subject to the Canadian Mineral Tenure Act Regulation. This act sets forth rules for

- \* locating claims
- \* posting claims
- \* working claims
- \* reporting work performed

We are also subject to the British Columbia Mineral Exploration Code which tells us how and where we can explore for minerals. We must comply with these laws in order to operate our business. Compliance with these rules and regulations will not effect our operations.

#### Environmental Law

We are also subject to the Health, Safety and Reclamation Code for Mines in British Columbia. This code deals with environmental matters relating to the exploration and development of mining properties. Its goals are to protect the environment through a series of regulations effecting:

1. Health and Safety
2. Archaeological Sites
3. Exploration Access

We are in compliance with the foregoing act and will continue to comply with the act in the future.

#### Employees

Initially, we intend to use the services of subcontractors for manual labor exploration work on our properties. Our only technical employees will be Hugh Grenfal and Sergei Stetsenko, our officers and directors.

#### Employees and Employment Agreements

At present, we have no employees, other than Messrs. Grenfal and Stetsenko, our officers and directors, who were compensated for their services. Messrs. Grenfal and Stetsenko do not have employment agreements with us. We presently do not have pension, health, annuity, insurance, stock options, profit sharing or similar benefit plans; however, we may adopt such plans in the future. There are presently no personal benefits available to any employees.

#### Legal Proceeding

We are not involved in any pending legal proceeding.

-----  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION  
AND RESULTS OF OPERATIONS  
-----

We are a start-up, exploration stage company and have not yet generated or realized any revenues from our business operations.

Our auditors have issued a going concern opinion. This means that our auditors believe there is doubt that we can continue as an on-going business for the next twelve months unless we obtain additional capital to pay our bills. This is because we have not generated any revenues and no revenues are anticipated until we begin removing and selling minerals. Accordingly, we must raise cash from sources other than the sale of minerals found on our property. That cash must be raised from other sources. Our only other source for cash at this time is investments by others in our company. We must raise cash in order to implement our project and stay in business.

In order to meet our need for cash we are attempting to raise money from this offering. There is no assurance that we will be able to raise enough money through this offering to stay in business. What ever money we do raise, will be applied first to exploration and then to development, if development is warranted. If we do not raise all of the money we need from this offering, we will have to find alternative sources, such as a second public offering, a private placement of securities, or loans from our officers or others. We have discussed this matter with our officers, however, our officers are unwilling to

make any commitment to loan us any money at this time. At the present time, we have not made any arrangements to raise additional cash, other than through this offering. If we need additional cash and can't raise it we will either have to suspend operations until we do raise the cash, or cease operations entirely.

We will be conducting research in connection with the exploration of our property. We are not going to buy or sell any plant or significant equipment. We do not expect a change in our number of employees.

Phase 1 involves research, examination of the property, and trenching. Phase 1 will take about 3 months and cost about \$20,000. We have not commenced Phase I. We anticipate that the proceeds of this offering will be use to cover the costs of each phase of the exploration plan.



Phase 2 involves an initial examination of the underground characteristics of the vein structure that was identified by Phase 1 of exploration. Phase 2 will take about 3 months and cost about \$20,000.

Phase 3 is aimed at precisely defining the depth, the width, the length, the tonnage and the value per ton of any ore body. Phase 3 will take about 6 months and cost about \$80,000.

#### Limited Operating History; Need for Additional Capital

There is no historical financial information about our company upon which to base an evaluation of our performance. We are an exploration stage company and have not generated any revenues from operations. We cannot guarantee we will be successful in our business operations. Our business is subject to risks inherent in the establishment of a new business enterprise, including limited capital resources, possible delays in the exploration and/or development of our properties, and possible cost overruns due to price and cost increases in services.

To become profitable and competitive, we conduct into the research and exploration of our properties before we commence production of any minerals we may find. We are seeking equity financing in order to provide for the capital required to implement our research and exploration phases.

We have no assurance that future financing will be available to us on acceptable terms. If such financing is not available on satisfactory terms, we may be unable to continue, develop or expand our operations. Equity financing could result in additional dilution to existing shareholders.

#### RESULTS OF OPERATIONS

From Inception on September 7, 1999

We just recently acquired our first property and are commencing the research and exploration stage of our mining operations on that property at this time.

Since inception, we have used our common stock to raise money for our property acquisition, for corporate expenses and to repay outstanding indebtedness. Net cash provided by financing activities from inception on September 7, 1999 to September 10, 1999 was \$133, as a result of proceeds received from advances from directors.

#### Liquidity and Capital Resources

As of the date of this registration statement, we have yet to generate any revenues from our business operations.

We issued 5,000,000 shares of common stock through a Section 4(2) offering in September 1999. This was accounted for as a compensation expense of \$271,536 and advances and reimbursement expenses of \$3,464.

As of September 10, 1999, our total assets were \$2,777 and our total liabilities were \$-0-.

#### Year 2000 Compliance

The Year 2000 issue is the result of computer programs using two digits rather than four to define the applicable year. Date-sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in system failures or miscalculations, causing disruptions of operations, including, among others, a temporary inability to process transactions, send invoices or engage in similar normal business activities.

#### Year 2000 State of Readiness

In order to address Year 2000 issues, we developed and implemented a plan to become Year 2000 ready. The Year 2000 Plan covers the computers and technology which we use in the research and exploration of our properties. We have reviewed our technology consisting of computer hardware and software systems and found them to be Year 2000 ready. Since we do not have any vendors we cannot make any assessment of third parties. In the future, we intend to evaluate and assess the systems of any third party providers with whom we do business.

## Year 2000 Costs

To date, we have incurred no historical costs associated with our Year 2000 readiness and the magnitude of any future costs will depend upon the nature and extent of any problems that are identified.

## Year 2000 Risks

Our failure to correct a material Year 2000 problem could result in a complete failure or degradation of the performance of our computers which will interrupt our operations.

Presently, however, we believe that our most reasonably likely worst case scenario related to the Year 2000 issue is associated with potential concerns with third party providers' services or products. In the future, we will be dependent on third-party vendors to provide manual labor, research data and studies on our properties. A significant Year 2000-related disruption to one of these vendor's computer software and/or equipment could cause a delay in our proposed research and explorations which in turn could materially and adversely affect our results of operations, liquidity and financial condition. Since we have not started business, we have not hired any third party vendors. As such we are not presently aware of any vendor-related Year 2000 issues that are likely to result in such a disruption. There is no assurance that Year 2000 third party vendors will not occur in the future.

## Year 2000 Contingency Plans

Since our equipment is Year 2000 ready, we have not adopted any Year 2000 contingency plans. See "Risk Factors - The Year 2000 Issue."

-----  
MANAGEMENT  
-----

## Officers and Directors

Each of our directors is elected by the Stockholders to a term of one (1) year and serves until his or her successor is elected and qualified. Each of our officers is elected by the board of directors to a term of one (1) year and serves until his or her successor is duly elected and qualified, or until he or she is removed from office. The board of directors has no nominating, auditing or compensation committees.

The name, address, age and position of our present sole officer and director is set forth below:

Name and Address	Age	Position(s)
Hugh Grenfal 3337 West 30th Ave. Vancouver, B.C. Canada V6S 1W3	30	President, Treasurer, Chief Financial Officer and a member of the Board of Directors
Sergei Stetsenko 704 - 1155 Beach Ave. Vancouver, B.C. Canada V6E 1V2	29	Secretary and a member of the Board of Directors

The persons named above have held their offices/positions since inception of our company and are expected to hold their offices/positions until the next annual meeting of our stockholders.

## Background of Officers and Directors

Hugh Grenfal has been the President, Treasurer, Chief Financial Officer and a member of the board of directors of the company since inception. From January 1991 to June 1996, Mr. Grenfal was President of Booker Gold Explorations Ltd., a mining and exploration corporation located in Vancouver, British Columbia. Since October 1996, Mr. Grenfal has been a Director of Callinan Mines Ltd., a mining and exploration corporation located in Vancouver, British Columbia with revenue producing copper and zinc properties located in Manitoba, Canada. Since June 1999, Mr. Grenfal has been President of Paxton Mining Corporation located in Vancouver, British Columbia. Paxton Mining Corporation is a mining company. Since September 1999, Mr. Grenfal has been President of Palal Mining Corporation located in Vancouver, British Columbia. Palal Mining Corporation is a mining company. Since September 1999, Mr. Grenfal has been President of Camden Mining Corporation located in Vancouver, British Columbia. Camden Mining Corporation is a mining company. Mr. Grenfal is currently

not a full-time employee with another entity.

Sergei Stetsenko has been the Secretary and a member of the board of directors of the company since inception. From December 1994 to June 1996, Mr. Stetsenko was the operations manager of Booker Gold Explorations Ltd. His responsibilities included overseeing and implementation of exploration programs and a member of the Hearne Hill copper deposit discovery team. From October 1996 to the present, Mr. Stetsenko was the operations manager of exploration for Callinan Mines Limited. Since September 1999, Mr. Stetsenko has been Secretary of Palal Mining Corporation located in Vancouver, British Columbia. Palal Mining is a mining company. Since September 1999, Mr. Stetsenko has been Secretary of Camden Mining Corporation located in Vancouver, British Columbia. Camden Mining Corporation is a mining company. Mr. Stetsenko is currently not a full-time employee with another entity.

#### Conflicts of Interest

We believe that Hugh Grenfal and Sergei Stetsenko will be subject to conflicts of interest. The conflicts of interest arise from Messrs. Grenfal and Stetsenko's relationship with other mining corporations. In the future, Messrs. Grenfal and Stetsenko will continue to be involved in the mining business for other entities and such involvement could create conflicts of interest. At the present time, we do not foresee a direct conflict of interest because we do not intend to acquire any additional mining properties. The only conflict that we foresee is Messrs. Grenfal and Stetsenko's devotion of time to mining projects that do not involve us.

Specifically, Hugh Grenfal is an officer and director of Callinan Mines Ltd., Palal Mining Corporation, Paxton Mining Corporation and Camden Mining Corporation, all of which are engaged in the mining business. Mr. Stetsenko is the operations manager of Callinan Mines Limited and an officer and director of Palal Mining Corporation and Camden Mining Corporation, all of which are engaged in the mining business. Presently, none of the foregoing operate mines or receive royalties from properties operated by others with the exception of Callinan Mines Ltd. which receives CDN\$149,000 from a copper zinc mine in Flin Flon, Manitoba operated by Hudson Bay & Smelting Co. Neither we nor our officers are affiliated with Hudson Bay & Smelting Co. In the future, however, such corporations could begin operating mines.

-----  
EXECUTIVE COMPENSATION  
-----

Messrs. Grenfal and Stetsenko, our officers and directors, were compensated in shares of common stock in the amount of \$271,536 for their services and there are no plans to compensate them in the near future, unless and until we begin to realize revenues and become profitable in our business operations.

#### Indemnification

Pursuant to the Articles of Incorporation and Bylaws of the corporation, we may indemnify an officer or director who is made a party to any proceeding, including a law suit, because of his position, if he acted in good faith and in a manner he reasonably believed to be in our best interest. In certain cases, we may advance expenses incurred in defending any such proceeding. To the extent that the officer or director is successful on the merits in any such proceeding as to which such person is to be indemnified, we must indemnify him against all expenses incurred, including attorney's fees. With respect to a derivative action, indemnity may be made only for expenses actually and reasonably incurred in defending the proceeding, and if the officer or director is judged liable, only by a court order. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Nevada.

Regarding indemnification for liabilities arising under the Securities Act of 1933, as amended, which may be permitted to directors or officers pursuant to the foregoing provisions, we are informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy, as expressed in the Act and is, therefore, unenforceable.

-----  
PRINCIPAL STOCKHOLDERS  
-----

The following table sets forth, as of the date of this prospectus, the total number of shares owned beneficially by each of our directors, officers and key employees, individually and as a group, and the present owners of 5% or more of our total outstanding shares. The table also reflects what such ownership will be assuming completion of the sale of all shares in this offering, which we can't guarantee. The stockholder listed below has direct ownership of his shares and possesses sole voting and dispositive power with respect to the shares.

<TABLE>

<CAPTION>

Name and Address Beneficial Owner [1]	Number of Shares Before Offering <S> <C>	Number of Shares After Offering <C>	Percentage of of Ownership After Offering <C>
Hugh Grenfal 3337 West 30th Ave. Vancouver, B.C. Canada V6S 1W3	2,500,000	2,500,000	35.71%
Sergei Stetsenko 704 - 1155 Beach Ave. Vancouver, B.C. Canada V6E 1V2	2,500,000	2,500,000	35.71%

-----  
All Officers and Directors  
as a Group (2)            5,000,000            5,000,000            71.43%

</TABLE>

[1] The persons named above may be deemed to be a "parent" and "promoter" of our company, within the meaning of such terms under the Securities Act of 1933, as amended, by virtue of his/its direct and indirect stock holdings. Messrs. Grenfal and Stetsenko are the only "promoters" of our company.

Future Sales by Existing Stockholders

A total of 5,000,000 shares of common stock were issued to the existing Stockholders, all of which are "restricted securities", as that term is defined in Rule 144 of the Rules and Regulations of the SEC promulgated under the Securities Act. Under Rule 144, such shares can be publicly sold, subject to volume restrictions and certain restrictions on the manner of sale, commencing one (1) year after their acquisition.

Shares purchased in this offering, which will be immediately resalable, and sales of all of our other shares after applicable restrictions expire, could have a depressive effect on the market price, if any, of our common stock and the shares we are offering. See "Dilution of the Price You Pay for Your Shares-Restricted Shares Eligible for Future Sale."

-----  
DESCRIPTION OF SECURITIES  
-----

Common Stock

Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$0.00001 per share. The holders of our common stock:

- \* have equal ratable rights to dividends from funds legally available therefor, when, as and if declared by our board of directors;
- \* are entitled to share ratably in all of our assets available for distribution to holders of common stock upon liquidation, dissolution or winding up of our affairs;
- \* do not have preemptive, subscription or conversion rights and there are no redemption or sinking fund provisions or rights; and
- \* are entitled to one non-cumulative vote per share on all matters on which stockholders may vote.

All shares of common stock now outstanding are fully paid for and non-assessable and all shares of common stock which are the subject of this offering, when issued, will be fully paid for and non-assessable. We refer you to our Articles of Incorporation, Bylaws and the applicable statutes of the State of Nevada for a more complete description of the rights and liabilities of holders of our securities.

Non-cumulative Voting

Holders of shares of our common stock do not have cumulative voting rights, which means that the holders of more than 50% of the outstanding shares, voting for the election of directors, can elect all of the directors to be elected, if they so choose, and, in such event, the holders of the remaining shares will not be able to elect any of our directors. After this offering is completed, the present stockholders will own approximately 97% of our outstanding shares. See "Principal Stockholders."

Cash Dividends

As of the date of this prospectus, we have not paid any cash dividends to stockholders. The declaration of any future cash dividend will be at the discretion of our board of directors and will depend upon our earnings, if any, our capital requirements and financial position, our general economic conditions, and other pertinent conditions. It is our present intention not to pay any cash dividends in the foreseeable future, but rather to reinvest earnings, if any, in our business operations.

Reports

After we complete this offering, we will be subject to certain reporting requirements and will furnish annual financial reports to you certified by our independent accountants, and may, in our discretion, furnish unaudited quarterly financial reports.

Stock Transfer Agent

Our stock transfer agent for our securities is Pacific Stock Transfer Company, 5844 South Pecos Road, Suite D, Las Vegas, Nevada 89120 and its telephone number is (702) 361-3033.

-----  
CERTAIN TRANSACTIONS  
-----

In September 1999, we issued a total of 5,000,000 shares of restricted common stock to Hugh Grenfal and Sergei Stetsenko, officers and directors of our company. This was accounted for as a compensation expense of \$271,536 and advances and reimbursement expenses of \$3,464.

In September 1999, we purchased two claims from Leonard Gal, an unrelated third party, and acquired 100% of the Wombat and Marmot claims.

In September 1999, we staked 100% the Amax claim.

-----  
LITIGATION  
-----

We are not a party to any pending litigation and none is contemplated or threatened.

-----  
EXPERTS  
-----

Our financial statements for the period from inception to September 10, 1999, included in this prospectus have been audited by Williams and Webster, P.C., Independent Certified Public Accountants, Seafirst Financial Center, 601 West Riverside Avenue, Suite 1940, Spokane, Washington 99201, as set forth in their report included in this prospectus.

-----  
LEGAL MATTERS  
-----

Conrad C. Lysiak, Attorney at Law, 601 West First Avenue, Suite 503, Spokane, Washington 99201, telephone (509) 624-1475 has acted as legal counsel for our company.

-----  
FINANCIAL STATEMENTS  
-----

-----  
Our fiscal year end is June 30. We will provide audited financial statements to our stockholders on an annual basis; the statements will be prepared by an Independent Certified Public Accountant.

Our audited financial statement from inception to September 10, 1999 immediately follows:

INDEPENDENT AUDITOR'S REPORT	F-1
FINANCIAL STATEMENTS	
Balance Sheet	F-2
Statement of Operations and Accumulated Deficit	F-3
Statement of Stockholders' Equity	F-4
Statement of Cash Flows	F-5
NOTES TO FINANCIAL STATEMENTS	F-6

Board of Directors  
Ancona Mining Corporation  
Las Vegas, Nevada

#### Independent Auditor's Report

We have audited the accompanying balance sheet of Ancona Mining Corporation, (an exploration stage enterprise), as of September 10, 1999, and the related statements of operations and accumulated deficit, stockholders' equity and cash flows for the period from September 7, 1999 (inception) to September 10, 1999. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ancona Mining Corporation, as of September 10, 1999, and the results of its operations and its cash flows for the period from September 7, 1999 (inception) to September 10, 1999, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company has been in the exploration stage since its inception on September 7, 1999. Realization of a major portion of the assets is dependent upon the Company's ability to meet its future financing requirements, and the success of future operations. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding those matters also are described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Williams & Webster, P.S.  
 Certified Public Accountants  
 Spokane, Washington  
 December 10, 1999

ANCONA MINING CORPORATION  
 (AN EXPLORATION STAGE ENTERPRISE)  
 BALANCE SHEET  
 September 10, 1999

<TABLE>	
<CAPTION>	
ASSETS	
<S>	<C>
CURRENT ASSETS	
Cash	\$ 133
	-----
TOTAL CURRENT ASSETS	133
	-----
OTHER ASSETS	
Mining claims	2,644
	-----
TOTAL ASSETS	\$ 2,777
	=====
LIABILITIES & STOCKHOLDERS' EQUITY	
CURRENT LIABILITIES	
	\$ -
COMMITMENTS AND CONTINGENCIES	
	-
STOCKHOLDERS' EQUITY	
Common stock, 100,000,000 shares	
authorized, \$0.00001 par value;	
5,000,000 shares issued and outstanding	50
Additional paid-in capital	274,950
Deficit accumulated during	
the exploration stage	(272,223)
	-----
TOTAL STOCKHOLDERS' EQUITY	2,777
	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 2,777
	=====
</TABLE>	

The accompanying notes are an integral part of these financial statements.

ANCONA MINING CORPORATION  
 (AN EXPLORATION STAGE ENTERPRISE)  
 STATEMENT OF OPERATIONS AND ACCUMULATED DEFICIT  
 For the Period from September 7, 1999 (Inception)  
 to September 10, 1999

<TABLE>  
 <S> <C>

REVENUES	\$ -
	-----
EXPENSES	
Executive compensation	271,536
Mining exploration expense	687
	-----
TOTAL EXPENSES	272,223
	-----
NET LOSS FROM OPERATIONS	(272,223)
	-----
INCOME TAXES	-
	-----
NET LOSS	(272,223)
	-----
ACCUMULATED DEFICIT, BEGINNING BALANCE	-
	-----
ACCUMULATED DEFICIT, ENDING BALANCE	\$ (272,223)
	=====
NET LOSS PER COMMON SHARE	\$ (0.0544)
	=====
WEIGHTED AVERAGE NUMBER OF COMMON STOCK SHARES OUTSTANDING	5,000,000
	=====

</TABLE>

The accompanying notes are an integral part of these financial statements.

F-3

ANCONA MINING CORPORATION  
(AN EXPLORATION STAGE ENTERPRISE)  
STATEMENT OF STOCKHOLDERS' EQUITY

For the Period from September 7, 1999 (Inception) to  
September 10, 1999

<TABLE>

<CAPTION>

	Common Stock		Additional	Total	Stockholders'
	Number	Amount	Paid-In	Accumulated	Equity
	of Shares		Capital	Deficit	
<S>	<C>	<C>	<C>	<C>	<C>
Issuance of common stock for expenses, mining claims, and in payment of advances at approximately \$.055 per share	5,000,000	\$ 50	\$ 274,950	\$ -	\$ 275,000
Loss for period ending, September 10, 1999	-	-	-	(272,223)	(272,223)
	-----	----	-----	-----	-----
Balance September 10, 1999	5,000,000	\$ 50	\$ 274,950	\$ (272,223)	\$ 2,777
	=====	=====	=====	=====	=====

</TABLE>



The accompanying notes are an integral part of these financial statements.

F-4

ANCONA MINING CORPORATION  
(AN EXPLORATION STAGE ENTERPRISE)  
STATEMENT OF CASH FLOWS  
For the Period from September 7, 1999 (Inception)  
to September 10, 1999

<TABLE>	
<S>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	\$ (272,223)
Expenses paid by issuance of stock	272,223
	-----
Net cash provided in operating activities	-
CASH FLOWS FROM INVESTING ACTIVITIES	-
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from advances	133
	-----
Change in cash	133
Cash, beginning of period	-
	-----
Cash, end of period	\$ 133
	=====
Supplemental disclosures:	
Interest paid	\$ -
	=====
Income taxes paid	\$ -
	=====
NON-CASH TRANSACTIONS	
Stock issued in exchange for expenses paid	\$ 272,223
Stock issued in payment of advances	\$ 133
Stock issued in exchange for mining claims	\$ 2,644

</TABLE>

The accompanying notes are an integral part of these financial statements.

F-5

ANCONA MINING CORPORATION  
(AN EXPLORATION STAGE ENTERPRISE)  
NOTES TO THE FINANCIAL STATEMENTS  
September 10, 1999

NOTE 1 ORGANIZATION AND DESCRIPTION OF BUSINESS

Ancona Mining Corporation (hereinafter "the Company") was incorporated on September 7, 1999 under the laws of the State of Nevada for the

purpose of acquiring, exploring and developing mining properties. The Company's fiscal year end is June 30.

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Ancona Mining Corporation is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

### Exploration Stage Activities

The Company has been in the exploration stage since its formation in September 1999 and has not yet realized any revenues from its planned operations. It is primarily engaged in the acquisition, exploration and development of mining properties. Upon location of a commercial minable reserve, the Company expects to actively prepare the site for its extraction and enter a development stage.

### Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern.

As shown in the accompanying financial statements, the Company incurred a net loss of \$272,223 for the period ended September 10, 1999 and had no sales. The future of the Company is dependent upon its ability to obtain financing and upon future profitable operations from the development of its mineral properties. Management has plans to seek additional capital through a private placement and public offering of its common stock. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

### Accounting Method

The Company's financial statements are prepared using the accrual method of accounting.

F-6

ANCONA MINING CORPORATION  
(AN EXPLORATION STAGE ENTERPRISE)  
NOTES TO THE FINANCIAL STATEMENTS  
September 10, 1999

## NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Loss Per share

Loss per share was computed by dividing the net loss by the weighted average number of shares outstanding during the period. The weighted average number of shares was calculated by taking the number of shares outstanding and weighting them by the amount of time that they were outstanding. Basic and diluted loss per share were the same, as there were no common stock equivalents outstanding.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

### Provision for Taxes

At September 10, 1999, the Company had a net operating loss of approximately \$270,000. No provision for taxes or tax benefit has been reported in the financial statements, as there is not a measurable means of assessing future profits or losses.

### Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

In March 1995, the Financial Accounting Standards Board issued a statement titled "Accounting for Impairment of Long-lived Assets." In complying with this standard, the Company reviews its long-lived assets quarterly to determine if any events or changes in circumstances have transpired which indicate that the carrying value of its assets may not be recoverable. The Company does not believe any adjustments are needed to the carrying value of its assets at September 10, 1999.

F-7

ANCONA MINING CORPORATION  
(AN EXPLORATION STAGE ENTERPRISE)  
NOTES TO THE FINANCIAL STATEMENTS  
September 10, 1999

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Risk

The Company maintains its cash accounts in primarily one commercial bank in Vancouver, British Columbia, Canada. The Company's cash account is a business checking account maintained in Canadian dollars, which totaled \$133 in equivalent U.S. dollars as of September 10, 1999.

Exploration Costs

In accordance with generally accepted accounting principles, the Company will expense exploration costs as incurred.

NOTE 3 COMMON STOCK

On September 10, 1999, 5,000,000 shares of common stock were issued to officers and directors only. There was no public offering of any securities. The above referenced shares were issued in payment for compensation in the amount of \$271,536 and repayment of expenses of \$687, mining claims of \$2,644 and advances of \$133. These shares were issued pursuant to exemption from registration contained in Section 4 (2) of the Securities Act of 1933.

In September 1999 the Company, through Mr. Hugh Grenfal, president and a member of the Board of Directors, acquired three mineral claims: Marmot, Wombat and Amax.

NOTE 4 RELATED PARTIES

The shareholders of the Company paid expenses and advanced funds on behalf of the Company, and were repaid by issuance of common stock. (See Note 3).

NOTE 5 COMMITMENTS AND CONTINGENCIES

The Company is engaged in the exploration and development of mineral properties. At present, there are no feasibility studies establishing proven and probable reserves.

Although the minerals exploration and mining industries are inherently speculative and subject to complex environmental regulations, the Company is unaware of any pending litigation or of any specific past or prospective matters which could impair the value of its mining claims.

F-8

ANCONA MINING CORPORATION  
(AN EXPLORATION STAGE ENTERPRISE)  
NOTES TO THE FINANCIAL STATEMENTS  
September 10, 1999

NOTE 6 YEAR 2000 ISSUES

Like other companies, Ancona Mining Corporation could be adversely affected if the computer systems the Company, its suppliers or customers use do not properly process and calculate date-related information and data from the period surrounding and including January 1, 2000. This is commonly known as the "Year 2000" issue. Additionally, this issue could impact non-computer systems and devices such as production equipment and elevators, etc. At this time, because

of the complexities involved in the issue, management cannot provide assurance that the Year 2000 issue will not have an impact on the Company's operations. Any costs associated with Year 2000 compliance are expensed when incurred.

F-9

PART II. INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 24. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The only statute, charter provision, bylaw, contract, or other arrangement under which any controlling person, director or officer of the Registrant is insured or indemnified in any manner against any liability which he may incur in his capacity as such, is as follows:

1. Article XII of the Articles of Incorporation of the company, filed as Exhibit 3.1 to the Registration Statement.
2. Article XI of the Bylaws of the company, filed as Exhibit 3.2 to the Registration Statement.
3. Nevada Revised Statutes, Chapter 78.

The general effect of the foregoing is to indemnify a control person, officer or director from liability, thereby making the company responsible for any expenses or damages incurred by such control person, officer or director in any action brought against them based on their conduct in such capacity, provided they did not engage in fraud or criminal activity.

ITEM 25. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.

The estimated expenses of the offering (assuming all shares are sold), all of which are to be paid by the registrant, are as follows:

SEC Registration Fee	\$ 100.00
Printing Expenses	6,500.00
Accounting Fees and Expenses	5,000.00
Legal Fees and Expenses	25,000.00
Blue Sky Fees/Expenses	5,000.00
Transfer Agent Fees	3,000.00
Miscellaneous Expenses	5,400.00
	-----
TOTAL	\$ 50,000.00
	=====

ITEM 26. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, the Registrant has sold the following securities which were not registered under the Securities Act of 1933, as amended.

Name and Address	Date	Shares	Consideration
Hugh Grenfal 3337 W. 30th Avenue Vancouver, British Columbia Canada V7S 1W3	9/07/99	2,500,000	Services and \$641 in Cash
Sergei Stetsenko 704 -1155 Beach Avenue Vancouver, British Columbia Canada V6E 1V2	9/07/99	2,500,000	Services and \$641 in Cash

We issued the foregoing restricted shares of common stock to Messrs. Grenfal and Stetsenko pursuant to Section 4(2) of the Securities Act of 1933. Messrs. Grenfal and Stetsenko are sophisticated investors, are officers and directors of the company, and where in possession of all material information relating to the company. Further, no commissions were paid to anyone in connection with the sale of the shares and general solicitation was made to anyone.

ITEM 27. EXHIBITS.

The following Exhibits are filed as part of this Registration Statement, pursuant to Item 601 of Regulation K. All Exhibits have been previously filed unless otherwise noted.

Exhibit No.	Document Description
3.1	Articles of Incorporation.
3.2	Bylaws.
4.1	Specimen Stock Certificate.
5.1	Opinion of Conrad C. Lysiak, Esq. regarding the legality of the Securities being registered.
10.1	Marmot Mining Claim.
10.2	Wombat Mining Claim.
10.3	Bill of Sale.
10.4	Amax Mining Claim.
10.5	Statement of Trustee.
23.1	Consent of Williams & Webster, P.S., Certified Public Accountants.
23.2	Consent of Conrad C. Lysiak, Esq.
27.1	Financial Data Schedule.
99.1	Subscription Agreement.

\* Previously filed.

ITEM 28. UNDERTAKINGS.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of

appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

a. To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

b. To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

c. To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any change to such information in the registration statement.

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

#### SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing of this Form SB-2 Registration Statement and has duly caused this Form SB-2 Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Vancouver, British Columbia, on this 18 day of January, 2000.

ANCONA MINING CORPORATION

BY: /s/ Hugh Grenfal  
Hugh Grenfal, President

KNOW ALL MEN BY THESE PRESENT, that each person whose signature appears below constitutes and appoints Hugh Grenfal, as true and lawful attorney-in-fact and agent, with full power of substitution, for his and in his name, place and stead, in any and all capacities, to sign any and all amendment (including post-effective amendments) to this registration statement, and to file the same, therewith, with the Securities and Exchange Commission, and to make any and all state securities law or blue sky filings, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying the confirming all that said attorney-in-fact and agent, or any substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Form SB-2 Registration Statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
/s/ Hughh Grenfal Hugh Grenfal	President, Treasurer, Chief Financial Officer and a member of the Board of Directors	01/18/2000
/s/ Sergei Stetsenko Sergei Stetsenko	Secretary and a member of the Board of Directors	01/18/2000

OF

ANCONA MINING CORPORATION

## I. SHAREHOLDER'S MEETING.

## .01 Annual Meetings.

The annual meeting of the shareholders of this Corporation, for the purpose of election of Directors and for such other business as may come before it, shall be held at the registered office of the Corporation, or such other places, either within or without the State of Nevada, as may be designated by the notice of the meeting, on the first week in September of each and every year, at 1:00 p.m., commencing in 2000, but in case such day shall be a legal holiday, the meeting shall be held at the same hour and place on the next succeeding day not a holiday.

## .02 Special Meeting.

Special meetings of the shareholders of this Corporation may be called at any time by the holders of ten percent (10%) of the voting shares of the Corporation, or by the President, or by the Board of Directors or a majority thereof. No business shall be transacted at any special meeting of shareholders except as is specified in the notice calling for said meeting. The Board of Directors may designate any place, either within or without the State of Nevada, as the place of any special meeting called by the president or the Board of Directors, and special meetings called at the request of shareholders shall be held at such place in the State of Nevada, as may be determined by the Board of Directors and placed in the notice of such meeting.

## .03 Notice of Meeting.

Written notice of annual or special meetings of shareholders stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be given by the secretary or persons authorized to call the meeting to each shareholder of record entitled to vote at the meeting. Such notice shall be given not less than ten (10) nor more than fifty (50) days prior to the date of the meeting, and such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his/her address as it appears on the stock transfer books of the Corporation.

## .04 Waiver of Notice.

Notice of the time, place, and purpose of any meeting may be waived in writing and will be waived by any shareholder by his/her attendance thereat in person or by proxy. Any shareholder so waiving shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

## .05 Quorum and Adjourned Meetings.

A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

## .06 Proxies.

At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his/her duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time

of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

.07 Voting of Shares.

Except as otherwise provided in the Articles of Incorporation or in these Bylaws, every shareholder of record shall have the right at every shareholder's meeting to one (1) vote for every share standing in his/her name on the books of the Corporation, and the affirmative vote of a majority of the shares represented at a meeting and entitled to vote thereat shall be necessary for the adoption of a motion or for the determination of all questions and business which shall come before the meeting.

II. DIRECTORS.

.01 General Powers.

The business and affairs of the Corporation shall be managed by its Board of Directors.

.02 Number, Tenure and Qualifications.

The number of Directors of the Corporation shall be not less than one nor more than thirteen. Each Director shall hold office until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified. Directors need not be residents of the State of Nevada or shareholders of the Corporation.

.03 Election.

The Directors shall be elected by the shareholders at their annual meeting each year; and if, for any cause the Directors shall not have been elected at an annual meeting, they may be elected at a special meeting of shareholders called for that purpose in the manner provided by these Bylaws.

.04 Vacancies.

In case of any vacancy in the Board of Directors, the remaining Director, whether constituting a quorum or not, may elect a successor to hold office for the unexpired portion of the terms of the Director whose place shall be vacant, and until his/her successor shall have been duly elected and qualified.

.05 Resignation.

Any Director may resign at any time by delivering written notice to the secretary of the Corporation.

.06 Meetings.

At any annual, special or regular meeting of the Board of Directors, any business may be transacted, and the Board may exercise all of its powers. Any such annual, special or regular meeting of the Board of Directors of the Corporation may be held outside of the State of Nevada, and any member or members of the Board of Directors of the Corporation may participate in any such meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time; the participation by such means shall constitute presence in person at such meeting.

A. Annual Meeting of Directors.

Annual meetings of the Board of Directors shall be held immediately after the annual shareholders' meeting or at such time and place as may be determined by the Directors. No notice of the annual meeting of the Board of Directors shall be necessary.

B. Special Meetings.

Special meetings of the Directors shall be called at any time and place upon the call of the president or any Director. Notice of the time and place of each special meeting shall be given by the secretary, or the persons calling the meeting, by mail, radio, telegram, or by personal communication by telephone or otherwise



at least one (1) day in advance of the time of the meeting. The purpose of the meeting need not be given in the notice. Notice of any special meeting may be waived in writing or by telegram (either before or after such meeting) and will be waived by any Director in attendance at such meeting.

C. Regular Meetings of Directors.

Regular meetings of the Board of Directors shall be held at such place and on such day and hour as shall from time to time be fixed by resolution of the Board of Directors. No notice of regular meetings of the Board of Directors shall be necessary.

.07 Quorum and Voting.

A majority of the Directors presently in office shall constitute a quorum for all purposes, but a lesser number may adjourn any meeting, and the meeting may be held as adjourned without further notice. At each meeting of the Board at which a quorum is present, the act of a majority of the Directors present at the meeting shall be the act of the Board of Directors. The Directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

.08 Compensation.

By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

.09 Presumption of Assent.

A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the

minutes of the meeting or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

.10 Executive and Other Committees.

The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, but no such committee shall have the authority of the Board of Directors, in reference to amending the Articles of Incorporation, adoption a plan of merger or consolidation, recommending to the shareholders the sale, lease, exchange, or other disposition of all of substantially all the property and assets of the dissolution of the Corporation or a revocation thereof, designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Board of Directors of any responsibility imposed by law.

.11 Chairman of Board of Directors.

The Board of Directors may, in its discretion, elect a chairman of the Board of Directors from its members; and, if a chairman has been elected, he/she shall, when present, preside at all meetings of the Board of Directors and the shareholders and shall have such other powers as the Board may prescribe.

.12 Removal.

Directors may be removed from office with or without cause by a vote of shareholders holding a majority of the shares entitled to vote at an election of Directors.

### III. ACTIONS BY WRITTEN CONSENT.

Any corporate action required by the Articles of Incorporation, Bylaws, or the laws under which this Corporation is formed, to be voted upon or approved at a duly called meeting of the Directors or shareholders may be accomplished without a meeting if a written memorandum of the respective Directors or shareholders, setting forth the action so taken, shall be signed by all the Directors or shareholders, as the case may be.

### IV. OFFICERS.

#### .01 Officers Designated.

The Officers of the Corporation shall be a president, one or more vice presidents (the number thereof to be determined by the Board of Directors), a secretary and a treasurer, each of whom shall be elected by the Board of Directors. Such other Officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any Officer may be held by the same person, except that in the event that the Corporation shall have more than one director, the offices of president and secretary shall be held by different persons.

#### .02 Election, Qualification and Term of Office.

Each of the Officers shall be elected by the Board of Directors. None of said Officers except the president need be a Director, but a vice president who is not a Director cannot succeed to or fill the office of president. The Officers shall be elected by the Board of Directors. Except as hereinafter provide, each of said Officers shall hold office from the date of his/her election until the next annual meeting of the Board of Directors and until his/her successor shall have been duly elected and qualified.

#### .03 Powers and Duties.

The powers and duties of the respective corporate Officers shall be as follows:

##### A. President.

The president shall be the chief executive Officer of the Corporation and, subject to the direction and control of the Board of Directors, shall have general charge and supervision over its property, business, and affairs. He/she shall, unless a Chairman of the Board of Directors has been elected and is present, preside at meetings of the shareholders and the Board of Directors.

##### B. Vice President.

In the absence of the president or his/her inability to act, the senior vice president shall act in his place and stead and shall have all the powers and authority of the president, except as limited by resolution of the Board of Directors.

##### C. Secretary.

The secretary shall:

1. Keep the minutes of the shareholder's and of the Board of Directors meetings in one or more books provided for that purpose;
2. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
3. Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all documents as may be required;
4. Keep a register of the post office address of each shareholder which shall be furnished to

the secretary by such shareholder;

5. Sign with the president, or a vice president, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;
6. Have general charge of the stock transfer books of the corporation; and,
7. In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the president or by the Board of Directors.

D. Treasurer.

Subject to the direction and control of the Board of Directors, the treasurer shall have the custody, control and disposition of the funds and securities of the Corporation and shall account for the same; and, at the expiration of his/her term of office, he/she shall turn over to his/her successor all property of the Corporation in his/her possession.

E. Assistant Secretaries and Assistant Treasurers.

The assistant secretaries, when authorized by the Board of Directors, may sign with the president or a vice president certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The assistant

treasurers shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board of Directors.

.04 Removal.

The Board of Directors shall have the right to remove any Officer whenever in its judgment the best interest of the Corporation will be served thereby.

.05 Vacancies.

The Board of Directors shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his/her successor shall have been duly elected and qualified.

.06 Salaries.

The salaries of all Officers of the Corporation shall be fixed by the Board of Directors.

V. SHARE CERTIFICATES

.01 Form and Execution of Certificates.

Certificates for shares of the Corporation shall be in such form as is consistent with the provisions of the Corporation laws of the State of Nevada. They shall be signed by the president and by the secretary, and the seal of the Corporation shall be affixed thereto. Certificates may be issued for fractional shares.

.02 Transfers.

Shares may be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by a written power of attorney to assign and transfer the same signed by the record holder of the certificate. Except as otherwise specifically provided in these Bylaws, no shares shall be transferred on the books of the Corporation until the outstanding certificate therefor has been surrendered to the

Corporation.

.03 Loss or Destruction of Certificates.

In case of loss or destruction of any certificate of shares, another may be issued in its place upon proof of such loss or destruction and upon the giving of a satisfactory bond of indemnity to the Corporation. A new certificate may be issued without requiring any bond, when in the judgment of the Board of Directors it is proper to do so.

VI. BOOKS AND RECORDS.

.01 Books of Accounts, Minutes and Share Register.

The Corporation shall keep complete books and records of accounts and minutes of the proceedings of the Board of Directors and shareholders and shall keep at its registered office, principal place of business, or at the office of its transfer agent or registrar a share register giving the names of the shareholders in alphabetical order and showing their respective addresses and the number of shares held by each.

.02 Copies of Resolutions.

Any person dealing with the Corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when certified by the president or secretary.

VII. CORPORATE SEAL.

The following is an impression of the corporate seal of this Corporation:

VIII. LOANS.

Generally, no loans shall be made by the Corporation to its Officers or Directors, unless first approved by the holder of two-third of the voting shares, and no loans shall be made by the Corporation secured by its shares. Loans shall be permitted to be made to Officers, Directors and employees of the Company for moving expenses, including the cost of procuring housing. Such loans shall be limited to \$25,000.00 per individual upon unanimous consent of the Board of Directors.

IX. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

.01 Indemnification.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a Director, Trustee, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed

to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action proceeding, had reasonable cause to believe that such person's conduct was unlawful.

.02 Derivative Action

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in the Corporation's favor by reason of the fact that such person is or was a Director, Trustee, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) and amount paid in settlement actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to amounts paid in settlement, the settlement of the suit or action was in the best interests of the Corporation; provided, however, that no indemnification shall be made in respect of any claim,

issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of such person's duty to the Corporation unless and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper. The termination of any action or suit by judgment or settlement shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation.

.03 Successful Defense.

To the extent that a Director, Trustee, Officer, employee or Agent of the Corporation has been successful on the merits or otherwise, in whole or in part in defense of any action, suit or proceeding referred to in Paragraphs .01 and .02 above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

.04 Authorization.

Any indemnification under Paragraphs .01 and .02 above (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, Trustee, Officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Paragraphs .01 and .02 above. Such determination shall be made (a) by the Board of Directors of the Corporation by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, by a majority vote of the Directors who were not parties to such action, suit or proceeding, or (c) by independent legal counsel (selected by one or more of the Directors, whether or not a quorum and whether or not disinterested) in a written opinion, or (d) by the Shareholders. Anyone making such a determination under this Paragraph .04 may determine that a person has met the standards therein set forth as to some claims, issues or matters but not as to others, and may reasonably prorate amounts to be paid as indemnification.

.05 Advances.

Expenses incurred in defending civil or criminal action,

suit or proceeding shall be paid by the Corporation, at any time or from time to time in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Paragraph .04 above upon receipt of an undertaking by or on behalf of the Director, Trustee, Officer, employee or agent to repay such amount unless it shall ultimately be by the Corporation is authorized in this Section.

.06 Nonexclusivity.

The indemnification provided in this Section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any law, bylaw, agreement, vote of shareholders or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Trustee, Officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

.07 Insurance.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Trustee, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability assessed against such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability.

.08 "Corporation" Defined.

For purposes of this Section, references to the "Corporation" shall include, in addition to the Corporation, an constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had the power and authority to indemnify its Directors, Trustees, Officers, employees or agents, so that any person who is or was a Director, Trustee, Officer, employee or agent of such constituent corporation or of any entity a majority of the voting stock of which is owned by such constituent corporation or is or was serving at the request of such

constituent corporation as a Director, Trustee, Officer, employee or agent of the corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving Corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

X. AMENDMENT OF BYLAWS.

.01 By the Shareholders.

These Bylaws may be amended, altered, or repealed at any regular or special meeting of the shareholders if notice of the proposed alteration or amendment is contained in the notice of the meeting.

.02 By the Board of Directors.

These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the entire Board of Directors at any regular or special meeting of the Board.

XI. FISCAL YEAR.

The fiscal year of the Corporation shall be set by resolution of the Board of Directors.

XII. RULES OF ORDER.

The rules contained in the most recent edition of Robert's Rules or Order, Newly Revised, shall govern all meetings of shareholders and Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, or special rules or

order of the Corporation.

XIII. REIMBURSEMENT OF DISALLOWED EXPENSES.

If any salary, payment, reimbursement, employee fringe benefit, expense allowance payment, or other expense incurred by the Corporation for the benefit of an employee is disallowed in whole or in part as a deductible expense of the Corporation for Federal Income Tax purposes, the employee shall reimburse the Corporation, upon notice and demand, to the full extent of the disallowance. This legally enforceable obligation is in accordance with the provisions of Revenue Ruling 69-115, 1969-1 C.B. 50, and is for the purpose of entitling such employee to a business expense deduction for the taxable year in which the repayment is made to the Corporation. In this manner, the Corporation shall be protected from having to bear the entire burden of disallowed expense items.

OF

ANCONA MINING CORPORATION

## I. SHAREHOLDER'S MEETING.

## .01 Annual Meetings.

The annual meeting of the shareholders of this Corporation, for the purpose of election of Directors and for such other business as may come before it, shall be held at the registered office of the Corporation, or such other places, either within or without the State of Nevada, as may be designated by the notice of the meeting, on the first week in September of each and every year, at 1:00 p.m., commencing in 2000, but in case such day shall be a legal holiday, the meeting shall be held at the same hour and place on the next succeeding day not a holiday.

## .02 Special Meeting.

Special meetings of the shareholders of this Corporation may be called at any time by the holders of ten percent (10%) of the voting shares of the Corporation, or by the President, or by the Board of Directors or a majority thereof. No business shall be transacted at any special meeting of shareholders except as is specified in the notice calling for said meeting. The Board of Directors may designate any place, either within or without the State of Nevada, as the place of any special meeting called by the president or the Board of Directors, and special meetings called at the request of shareholders shall be held at such place in the State of Nevada, as may be determined by the Board of Directors and placed in the notice of such meeting.

## .03 Notice of Meeting.

Written notice of annual or special meetings of shareholders stating the place, day, and hour of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called shall be given by the secretary or persons authorized to call the meeting to each shareholder of record entitled to vote at the meeting. Such notice shall be given not less than ten (10) nor more than fifty (50) days prior to the date of the meeting, and such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at his/her address as it appears on the stock transfer books of the Corporation.

## .04 Waiver of Notice.

Notice of the time, place, and purpose of any meeting may be waived in writing and will be waived by any shareholder by his/her attendance thereat in person or by proxy. Any shareholder so waiving shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

## .05 Quorum and Adjourned Meetings.

A majority of the outstanding shares of the Corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. A majority of the shares represented at a meeting, even if less than a quorum, may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. The shareholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

## .06 Proxies.

At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by his/her duly authorized attorney in fact. Such proxy shall be filed with the secretary of the Corporation before or at the time



of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy.

.07 Voting of Shares.

Except as otherwise provided in the Articles of Incorporation or in these Bylaws, every shareholder of record shall have the right at every shareholder's meeting to one (1) vote for every share standing in his/her name on the books of the Corporation, and the affirmative vote of a majority of the shares represented at a meeting and entitled to vote thereat shall be necessary for the adoption of a motion or for the determination of all questions and business which shall come before the meeting.

II. DIRECTORS.

.01 General Powers.

The business and affairs of the Corporation shall be managed by its Board of Directors.

.02 Number, Tenure and Qualifications.

The number of Directors of the Corporation shall be not less than one nor more than thirteen. Each Director shall hold office until the next annual meeting of shareholders and until his/her successor shall have been elected and qualified. Directors need not be residents of the State of Nevada or shareholders of the Corporation.

.03 Election.

The Directors shall be elected by the shareholders at their annual meeting each year; and if, for any cause the Directors shall not have been elected at an annual meeting, they may be elected at a special meeting of shareholders called for that purpose in the manner provided by these Bylaws.

.04 Vacancies.

In case of any vacancy in the Board of Directors, the remaining Director, whether constituting a quorum or not, may elect a successor to hold office for the unexpired portion of the terms of the Director whose place shall be vacant, and until his/her successor shall have been duly elected and qualified.

.05 Resignation.

Any Director may resign at any time by delivering written notice to the secretary of the Corporation.

.06 Meetings.

At any annual, special or regular meeting of the Board of Directors, any business may be transacted, and the Board may exercise all of its powers. Any such annual, special or regular meeting of the Board of Directors of the Corporation may be held outside of the State of Nevada, and any member or members of the Board of Directors of the Corporation may participate in any such meeting by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time; the participation by such means shall constitute presence in person at such meeting.

A. Annual Meeting of Directors.

Annual meetings of the Board of Directors shall be held immediately after the annual shareholders' meeting or at such time and place as may be determined by the Directors. No notice of the annual meeting of the Board of Directors shall be necessary.

B. Special Meetings.

Special meetings of the Directors shall be called at any time and place upon the call of the president or any Director. Notice of the time and place of each special meeting shall be given by the secretary, or the persons calling the meeting, by mail, radio, telegram, or by personal communication by telephone or otherwise

at least one (1) day in advance of the time of the meeting. The purpose of the meeting need not be given in the notice. Notice of any special meeting may be waived in writing or by telegram (either before or after such meeting) and will be waived by any Director in attendance at such meeting.

C. Regular Meetings of Directors.

Regular meetings of the Board of Directors shall be held at such place and on such day and hour as shall from time to time be fixed by resolution of the Board of Directors. No notice of regular meetings of the Board of Directors shall be necessary.

.07 Quorum and Voting.

A majority of the Directors presently in office shall constitute a quorum for all purposes, but a lesser number may adjourn any meeting, and the meeting may be held as adjourned without further notice. At each meeting of the Board at which a quorum is present, the act of a majority of the Directors present at the meeting shall be the act of the Board of Directors. The Directors present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum.

.08 Compensation.

By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as Director. No such payment shall preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

.09 Presumption of Assent.

A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his/her dissent shall be entered in the

minutes of the meeting or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

.10 Executive and Other Committees.

The Board of Directors, by resolution adopted by a majority of the full Board of Directors, may designate from among its members an executive committee and one or more other committees, each of which, to the extent provided in such resolution, shall have and may exercise all the authority of the Board of Directors, but no such committee shall have the authority of the Board of Directors, in reference to amending the Articles of Incorporation, adoption a plan of merger or consolidation, recommending to the shareholders the sale, lease, exchange, or other disposition of all of substantially all the property and assets of the dissolution of the Corporation or a revocation thereof, designation of any such committee and the delegation thereto of authority shall not operate to relieve any member of the Board of Directors of any responsibility imposed by law.

.11 Chairman of Board of Directors.

The Board of Directors may, in its discretion, elect a chairman of the Board of Directors from its members; and, if a chairman has been elected, he/she shall, when present, preside at all meetings of the Board of Directors and the shareholders and shall have such other powers as the Board may prescribe.

.12 Removal.

Directors may be removed from office with or without cause by a vote of shareholders holding a majority of the shares entitled to vote at an election of Directors.

### III. ACTIONS BY WRITTEN CONSENT.

Any corporate action required by the Articles of Incorporation, Bylaws, or the laws under which this Corporation is formed, to be voted upon or approved at a duly called meeting of the Directors or shareholders may be accomplished without a meeting if a written memorandum of the respective Directors or shareholders, setting forth the action so taken, shall be signed by all the Directors or shareholders, as the case may be.

### IV. OFFICERS.

#### .01 Officers Designated.

The Officers of the Corporation shall be a president, one or more vice presidents (the number thereof to be determined by the Board of Directors), a secretary and a treasurer, each of whom shall be elected by the Board of Directors. Such other Officers and assistant officers as may be deemed necessary may be elected or appointed by the Board of Directors. Any Officer may be held by the same person, except that in the event that the Corporation shall have more than one director, the offices of president and secretary shall be held by different persons.

#### .02 Election, Qualification and Term of Office.

Each of the Officers shall be elected by the Board of Directors. None of said Officers except the president need be a Director, but a vice president who is not a Director cannot succeed to or fill the office of president. The Officers shall be elected by the Board of Directors. Except as hereinafter provide, each of said Officers shall hold office from the date of his/her election until the next annual meeting of the Board of Directors and until his/her successor shall have been duly elected and qualified.

#### .03 Powers and Duties.

The powers and duties of the respective corporate Officers shall be as follows:

##### A. President.

The president shall be the chief executive Officer of the Corporation and, subject to the direction and control of the Board of Directors, shall have general charge and supervision over its property, business, and affairs. He/she shall, unless a Chairman of the Board of Directors has been elected and is present, preside at meetings of the shareholders and the Board of Directors.

##### B. Vice President.

In the absence of the president or his/her inability to act, the senior vice president shall act in his place and stead and shall have all the powers and authority of the president, except as limited by resolution of the Board of Directors.

##### C. Secretary.

The secretary shall:

1. Keep the minutes of the shareholder's and of the Board of Directors meetings in one or more books provided for that purpose;
2. See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law;
3. Be custodian of the corporate records and of the seal of the Corporation and affix the seal of the Corporation to all documents as may be required;
4. Keep a register of the post office address of each shareholder which shall be furnished to

the secretary by such shareholder;

5. Sign with the president, or a vice president, certificates for shares of the Corporation, the issuance of which shall have been authorized by resolution of the Board of Directors;
6. Have general charge of the stock transfer books of the corporation; and,
7. In general perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him/her by the president or by the Board of Directors.

D. Treasurer.

Subject to the direction and control of the Board of Directors, the treasurer shall have the custody, control and disposition of the funds and securities of the Corporation and shall account for the same; and, at the expiration of his/her term of office, he/she shall turn over to his/her successor all property of the Corporation in his/her possession.

E. Assistant Secretaries and Assistant Treasurers.

The assistant secretaries, when authorized by the Board of Directors, may sign with the president or a vice president certificates for shares of the Corporation the issuance of which shall have been authorized by a resolution of the Board of Directors. The assistant

treasurers shall, respectively, if required by the Board of Directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the Board of Directors shall determine. The assistant secretaries and assistant treasurers, in general, shall perform such duties as shall be assigned to them by the secretary or the treasurer, respectively, or by the president or the Board of Directors.

.04 Removal.

The Board of Directors shall have the right to remove any Officer whenever in its judgment the best interest of the Corporation will be served thereby.

.05 Vacancies.

The Board of Directors shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his/her successor shall have been duly elected and qualified.

.06 Salaries.

The salaries of all Officers of the Corporation shall be fixed by the Board of Directors.

V. SHARE CERTIFICATES

.01 Form and Execution of Certificates.

Certificates for shares of the Corporation shall be in such form as is consistent with the provisions of the Corporation laws of the State of Nevada. They shall be signed by the president and by the secretary, and the seal of the Corporation shall be affixed thereto. Certificates may be issued for fractional shares.

.02 Transfers.

Shares may be transferred by delivery of the certificates therefor, accompanied either by an assignment in writing on the back of the certificates or by a written power of attorney to assign and transfer the same signed by the record holder of the certificate. Except as otherwise specifically provided in these Bylaws, no shares shall be transferred on the books of the Corporation until the outstanding certificate therefor has been surrendered to the

Corporation.

.03 Loss or Destruction of Certificates.

In case of loss or destruction of any certificate of shares, another may be issued in its place upon proof of such loss or destruction and upon the giving of a satisfactory bond of indemnity to the Corporation. A new certificate may be issued without requiring any bond, when in the judgment of the Board of Directors it is proper to do so.

VI. BOOKS AND RECORDS.

.01 Books of Accounts, Minutes and Share Register.

The Corporation shall keep complete books and records of accounts and minutes of the proceedings of the Board of Directors and shareholders and shall keep at its registered office, principal place of business, or at the office of its transfer agent or registrar a share register giving the names of the shareholders in alphabetical order and showing their respective addresses and the number of shares held by each.

.02 Copies of Resolutions.

Any person dealing with the Corporation may rely upon a copy of any of the records of the proceedings, resolutions, or votes of the Board of Directors or shareholders, when certified by the president or secretary.

VII. CORPORATE SEAL.

The following is an impression of the corporate seal of this Corporation:

VIII. LOANS.

Generally, no loans shall be made by the Corporation to its Officers or Directors, unless first approved by the holder of two-third of the voting shares, and no loans shall be made by the Corporation secured by its shares. Loans shall be permitted to be made to Officers, Directors and employees of the Company for moving expenses, including the cost of procuring housing. Such loans shall be limited to \$25,000.00 per individual upon unanimous consent of the Board of Directors.

IX. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

.01 Indemnification.

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a Director, Trustee, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgment, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed

to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action proceeding, had reasonable cause to believe that such person's conduct was unlawful.

.02 Derivative Action

The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in the Corporation's favor by reason of the fact that such person is or was a Director, Trustee, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney's fees) and amount paid in settlement actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to amounts paid in settlement, the settlement of the suit or action was in the best interests of the Corporation; provided, however, that no indemnification shall be made in respect of any claim,

issue or matter as to which such person shall have been adjudged to be liable for gross negligence or willful misconduct in the performance of such person's duty to the Corporation unless and only to the extent that, the court in which such action or suit was brought shall determine upon application that, despite circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as such court shall deem proper. The termination of any action or suit by judgment or settlement shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation.

.03 Successful Defense.

To the extent that a Director, Trustee, Officer, employee or Agent of the Corporation has been successful on the merits or otherwise, in whole or in part in defense of any action, suit or proceeding referred to in Paragraphs .01 and .02 above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

.04 Authorization.

Any indemnification under Paragraphs .01 and .02 above (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the Director, Trustee, Officer, employee or agent is proper in the circumstances because such person has met the applicable standard of conduct set forth in Paragraphs .01 and .02 above. Such determination shall be made (a) by the Board of Directors of the Corporation by a majority vote of a quorum consisting of Directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, by a majority vote of the Directors who were not parties to such action, suit or proceeding, or (c) by independent legal counsel (selected by one or more of the Directors, whether or not a quorum and whether or not disinterested) in a written opinion, or (d) by the Shareholders. Anyone making such a determination under this Paragraph .04 may determine that a person has met the standards therein set forth as to some claims, issues or matters but not as to others, and may reasonably prorate amounts to be paid as indemnification.

.05 Advances.

Expenses incurred in defending civil or criminal action,

suit or proceeding shall be paid by the Corporation, at any time or from time to time in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided in Paragraph .04 above upon receipt of an undertaking by or on behalf of the Director, Trustee, Officer, employee or agent to repay such amount unless it shall ultimately be by the Corporation is authorized in this Section.

.06 Nonexclusivity.

The indemnification provided in this Section shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any law, bylaw, agreement, vote of shareholders or disinterested Directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Trustee, Officer, employee or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

.07 Insurance.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a Director, Trustee, Officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Director, Trustee, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability assessed against such person in any such capacity or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability.

.08 "Corporation" Defined.

For purposes of this Section, references to the "Corporation" shall include, in addition to the Corporation, an constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had the power and authority to indemnify its Directors, Trustees, Officers, employees or agents, so that any person who is or was a Director, Trustee, Officer, employee or agent of such constituent corporation or of any entity a majority of the voting stock of which is owned by such constituent corporation or is or was serving at the request of such

constituent corporation as a Director, Trustee, Officer, employee or agent of the corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section with respect to the resulting or surviving Corporation as such person would have with respect to such constituent corporation if its separate existence had continued.

X. AMENDMENT OF BYLAWS.

.01 By the Shareholders.

These Bylaws may be amended, altered, or repealed at any regular or special meeting of the shareholders if notice of the proposed alteration or amendment is contained in the notice of the meeting.

.02 By the Board of Directors.

These Bylaws may be amended, altered, or repealed by the affirmative vote of a majority of the entire Board of Directors at any regular or special meeting of the Board.

XI. FISCAL YEAR.

The fiscal year of the Corporation shall be set by resolution of the Board of Directors.

XII. RULES OF ORDER.

The rules contained in the most recent edition of Robert's Rules or Order, Newly Revised, shall govern all meetings of shareholders and Directors where those rules are not inconsistent with the Articles of Incorporation, Bylaws, or special rules or

order of the Corporation.

XIII. REIMBURSEMENT OF DISALLOWED EXPENSES.

If any salary, payment, reimbursement, employee fringe benefit, expense allowance payment, or other expense incurred by the Corporation for the benefit of an employee is disallowed in whole or in part as a deductible expense of the Corporation for Federal Income Tax purposes, the employee shall reimburse the Corporation, upon notice and demand, to the full extent of the disallowance. This legally enforceable obligation is in accordance with the provisions of Revenue Ruling 69-115, 1969-1 C.B. 50, and is for the purpose of entitling such employee to a business expense deduction for the taxable year in which the repayment is made to the Corporation. In this manner, the Corporation shall be protected from having to bear the entire burden of disallowed expense items.





hereby irrevocably constitute and appoint \_\_\_\_\_  
attorney-in-fact to transfer the said stock on the books of the  
within-named Corporation, with full power of substitution in the  
premises.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Notice: The signatures to this Assignment  
must correspond with the name(s) as written  
upon the face of the certificate in every  
particular, without alteration or enlargement  
or any change whatsoever.

Signature(s) Guaranteed:

\_\_\_\_\_  
The signature(s) must be guaranteed by an eligible guarantor  
institution (Banks, Stockbrokers, Savings and Loan Associations  
and Credit Unions with membership in an approved signature  
guarantee Medallion Program), pursuant to S.E.C. Rule 17Ad-15.

CONRAD C. LYSIAK  
Attorney and Counselor at Law  
601 West First Avenue  
Suite 503  
Spokane, Washington 99204  
(509) 624-1478  
FAX (509) 747-1770

January 18, 2000

Securities and Exchange Commission  
450 Fifth Avenue N.W.  
Washington, D. C. 20549

RE: Ancona Mining Corporation

Gentlemen:

Please be advised that, I have reached the following conclusions regarding the above offering:

1. Ancona Mining Corporation (the "Company") is a duly and legally organized and existing Nevada state corporation, with its registered office located in Las Vegas, Nevada and its principal place of business located in Vancouver, British Columbia, Canada. The Articles of Incorporation and corporate registration fees were submitted to the Nevada Secretary of State's office and filed with the office on September 2, 1999. The Company's existence and form is valid and legal pursuant to the representation above.

2. The Company is a fully and duly incorporated Nevada corporate entity. The Company has one class of Common Stock at this time. Neither the Articles of Incorporation, Bylaws, and amendments thereto, nor subsequent resolutions change the non-assessable characteristics of the Company's common shares of stock. The Common Stock previously issued by the Company is in legal form and in compliance with the laws of the State of Nevada, and when such stock was issued it was fully paid for and non-assessable. The common stock to be sold under this Form SB-2 Registration Statement is likewise legal under the laws of the State of Nevada.

3. To my knowledge, the Company is not a party to any legal proceedings nor are there any judgments against the Company, nor are there any actions or suits filed or threatened against it or its officers and directors, in their capacities as such, other than as set forth in the registration statement. I know of no disputes involving the Company and the Company has no claim, actions or inquires from any federal, state or other government agency, other than as set forth in the registration statement. I know of no claims against the Company or any reputed claims against it at this time, other than as set forth in the registration statement.

Securities and Exchange Commission  
RE: Ancona Mining Corporation  
January 13, 2000  
Page 2

4. The Company's outstanding shares are all common shares. There are no liquidation preference rights held by any of the Shareholders upon voluntary or involuntary liquidation of the Company.

5. The directors and officers of the Company are indemnified against all costs, expenses, judgments and liabilities, including attorney's fees, reasonably incurred by or imposed upon them or any of them in connection with or resulting from any action, suit or proceedings, civil or general, in which the officer or director is or may be made a party by reason of his being or having been such a director or officer. This indemnification is not exclusive of other rights to which such director or officer may be entitled as a matter of law.

6. All tax benefits to be derived from the Company's operations shall inure to the benefit of the Company. Shareholders will receive no tax benefits from their stock

ownership, however, this must be reviewed in light of the Tax Reform Act of 1986.

7. By director's resolution, the Company has authorized the issuance of up to 2,000,000 shares of Common Stock.

The Company's Articles of Incorporation presently provide the authority to the Company to issue 100,000,000 shares of Common Stock, \$0.00001 par value. Therefore, a Board of Directors' Resolution which authorized the issuance for sale of up to 2,000,000 of Common Stock, would be within the authority of the Company's directors and the shares, when issued, will be validly issued, fully paid and non-assessable.

Yours truly,

/s/ Conrad C. Lysiak

EXHIBIT 10.5

HUGH GRENFAL  
Suite 1950 - 400 Burrard Street  
Vancouver, British Columbia Canada V6C 3A6

September 9, 1999

Ancona Mining Corporation  
Suite 1950 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6

I, Hugh Grenfal, hold in trust for Ancona Mining Corporation a 100% undivided interest in three mineral claims, namely: Marmot - 15 units (record #365899), Wombat - 20 units (record #365900) and Amax - 9 units (tag #237057).

I will deliver full title on demand to Ancona Mining Corporation for as long as the claims are in good standing with the Province of British Columbia.

Yours truly

/s/ Hugh Grenfal  
Hugh Grenfal

EXHIBIT 10.5

HUGH GRENFAL  
Suite 1950 - 400 Burrard Street  
Vancouver, British Columbia Canada V6C 3A6

September 9, 1999

Ancona Mining Corporation  
Suite 1950 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6

I, Hugh Grenfal, hold in trust for Ancona Mining Corporation a 100% undivided interest in three mineral claims, namely: Marmot - 15 units (record #365899), Wombat - 20 units (record #365900) and Amax - 9 units (tag #237057).

I will deliver full title on demand to Ancona Mining Corporation for as long as the claims are in good standing with the Province of British Columbia.

Yours truly

/s/ Hugh Grenfal  
Hugh Grenfal

EXHIBIT 10.5

HUGH GRENFAL  
Suite 1950 - 400 Burrard Street  
Vancouver, British Columbia Canada V6C 3A6

September 9, 1999

Ancona Mining Corporation  
Suite 1950 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6

I, Hugh Grenfal, hold in trust for Ancona Mining Corporation a 100% undivided interest in three mineral claims, namely: Marmot - 15 units (record #365899), Wombat - 20 units (record #365900) and Amax - 9 units (tag #237057).

I will deliver full title on demand to Ancona Mining Corporation for as long as the claims are in good standing with the Province of British Columbia.

Yours truly

/s/ Hugh Grenfal  
Hugh Grenfal

EXHIBIT 10.5

HUGH GRENFAL  
Suite 1950 - 400 Burrard Street  
Vancouver, British Columbia Canada V6C 3A6

September 9, 1999

Ancona Mining Corporation  
Suite 1950 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6

I, Hugh Grenfal, hold in trust for Ancona Mining Corporation a 100% undivided interest in three mineral claims, namely: Marmot - 15 units (record #365899), Wombat - 20 units (record #365900) and Amax - 9 units (tag #237057).

I will deliver full title on demand to Ancona Mining Corporation for as long as the claims are in good standing with the Province of British Columbia.

Yours truly

/s/ Hugh Grenfal  
Hugh Grenfal



EXHIBIT 10.5

HUGH GRENFAL  
Suite 1950 - 400 Burrard Street  
Vancouver, British Columbia Canada V6C 3A6

September 9, 1999

Ancona Mining Corporation  
Suite 1950 - 400 Burrard Street  
Vancouver, B.C. V6C 3A6

I, Hugh Grenfal, hold in trust for Ancona Mining Corporation a 100% undivided interest in three mineral claims, namely: Marmot - 15 units (record #365899), Wombat - 20 units (record #365900) and Amax - 9 units (tag #237057).

I will deliver full title on demand to Ancona Mining Corporation for as long as the claims are in good standing with the Province of British Columbia.

Yours truly

/s/ Hugh Grenfal  
Hugh Grenfal

CONRAD C. LYSIAK  
Attorney and Counselor at Law  
601 West First Avenue  
Suite 503  
Spokane, Washington 99201  
(509) 624-1475  
FAX: (509) 747-1770

CONSENT

I HEREBY CONSENT to the inclusion of my name in connection with the Form SB-2 Registration Statement filed with the Securities and Exchange Commission as attorney for the registrant, Ancona Mining Corporation.

DATED this 18th day of January, 2000.

Yours truly,

/s/ Conrad C. Lysiak

CONRAD C. LYSIAK  
Attorney and Counselor at Law  
601 West First Avenue  
Suite 503  
Spokane, Washington 99201  
(509) 624-1475  
FAX: (509) 747-1770

CONSENT

I HEREBY CONSENT to the inclusion of my name in connection with the Form SB-2 Registration Statement filed with the Securities and Exchange Commission as attorney for the registrant, Ancona Mining Corporation.

DATED this 18th day of January, 2000.

Yours truly,

/s/ Conrad C. Lysiak

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary financial information extracted from the Statement of Financial Condition at September 10, 1999 and the Statement of Income for the period ended September 10, 1999 and is qualified in its entirety by reference to such financial statements.

</LEGEND>

<S>	<C>
<PERIOD-TYPE>	OTHER
<FISCAL-YEAR-END>	JUN-30-2000
<PERIOD-END>	SEP-20-1999
<CASH>	133
<SECURITIES>	0
<RECEIVABLES>	0
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	0
<PP&E>	0
<DEPRECIATION>	0
<TOTAL-ASSETS>	2,777
<CURRENT-LIABILITIES>	0
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	50
<OTHER-SE>	2,727
<TOTAL-LIABILITY-AND-EQUITY>	2,777
<SALES>	0
<TOTAL-REVENUES>	0
<CGS>	0
<TOTAL-COSTS>	0
<OTHER-EXPENSES>	272,223
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	0
<INCOME-PRETAX>	(2,72,223)
<INCOME-TAX>	0
<INCOME-CONTINUING>	(272,223)
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	(272,223)
<EPS-BASIC>	(0.054)
<EPS-DILUTED>	(0.054)

</TABLE>

SUBSCRIPTION AGREEMENT

Ancona Mining Corporation  
400 Burrard Street  
Suite 1950  
Vancouver, British Columbia  
Canada V6C 3A6

Dear Sirs:

Concurrent with execution of this Agreement, the undersigned (the "Purchaser") is purchasing \_\_\_\_\_ shares of Common Stock of Ancona Mining Corporation (the "Company") at a price of \$0.10 per Share (the "Subscription Price")

Purchaser hereby confirms the subscription for and purchase of said number of Shares and hereby agrees to pay herewith the Subscription Price for such Shares.

MAKE CHECK PAYABLE TO: Ancona Mining Corporation

Executed this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, at \_\_\_\_\_ (Street Address), \_\_\_\_\_ (City), \_\_\_\_\_ (State) \_\_\_\_\_ (Zip Code).

\_\_\_\_\_  
Signature of Purchaser

\_\_\_\_\_  
Printed Name of Purchaser

\_\_\_\_\_  
Social Security Number/  
Tax I.D.

Number of Shares Purchased \_\_\_\_\_ Total Subscription Price \_\_\_\_\_

Form of Payment: Cash \_\_\_\_\_  
Check# \_\_\_\_\_  
Other \_\_\_\_\_

ACCEPTED THIS \_\_\_\_ DAY OF \_\_\_\_\_, \_\_\_\_\_.

ANCONA MINING CORPORATION

BY: \_\_\_\_\_  
Title: \_\_\_\_\_